

CONFIRMATIONS

*Executive nominations confirmed by the Senate March 15
(legislative day of March 4), 1940*

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

William P. Upshur to be major general.
Lloyd L. Leech to be colonel.
Samuel A. Woods, Jr., to be colonel.

POSTMASTERS

ALABAMA

Bryan Whitehurst, Abbeville.
Una B. Bowden, Arifton.
Robert B. Evans, Elkmont.
Robert H. Reid, Elmore.
Robert Gaston Bozeman, Evergreen.
Louie Glenn Collier, Huntsville.
James F. Freeman, Sr., Phenix City.

CALIFORNIA

Ford E. Samuel, Alameda.

CONNECTICUT

James M. Tomney, Cos Cob.
Philip T. Lewis, East Killingly.
Martin W. Sinnott, New Hartford.
Walter G. Barker, Niantic.
Frank P. Ablondi, Stony Creek.

GEORGIA

Irene McLeod, Abbeville.
Lucius Hannon, Atco.
Elizabeth H. Quinn, Barnesville.
Martha C. Aultman, Byron.
Jesse S. Weathers, Cairo.
Estelle G. Pierce, Chamblee.
Marcus Watson Miller, Colquitt.
Telford M. Oliver, Franklin Springs.
Mae W. Dukes, Gibson.
Ivey M. Cox, Newton.
John Stanley Newton, Norman Park.
Grover C. Alston, Richland.
William H. Brock, Trenton.
Jesse W. Slade, Zebulon.

INDIANA

James Frank Durr, Sheridan.

IOWA

Ethel M. Knudson, Lytton.

MISSOURI

Edwin A. Williams, Boonville.
Birdie Lee See, Corder.
Adrian A. Fults, Crystal City.
John E. Davis, Eureka.
Roy Carter Hendren, Hamilton.
William H. Kendrick, La Belle.
Elton C. Cook, Lathrop.
William H. Nanney, Marble Hill.
Kathryn Barry, Mendon.
Phares K. Weis, Moberly.
William G. Nunnally, New Florence.
Emmett H. Bond, Osceola.
Roy Cooper, Puxico.
Edna E. Saunders, Stewartville.

NEW JERSEY

Sam Epstein, Lake Hiawatha.
Victor R. Keller, Northfield.
Curtis J. Gray, Pine Beach.

NEW YORK

Lillian P. Rock, Bloomingdale.
Henry J. Rourke, Gansevoort.

OREGON

Harry L. Price, Aloha.
Florence N. Pearson, Timber.

PENNSYLVANIA

Watson W. Wright, Andalusia.
Emilie D. Stoneback, Black Lick.
J. Russell Clayton, Bryn Athyn.
C. William Boozer, Centre Hall.
Silverius A. Waltman, Chicora.
Charles H. Reisinger, Dallastown.
Joseph J. Quinn, Gallitzin.
James J. O'Mara, Laceyville.
Virginia G. Kingsley, Pleasantville.
Cliffe A. Benjamin, Rices Landing.
William C. Salberg, Ridgway.

VIRGINIA

William A. White, Arrington.
Bernice E. Utz, Barboursville.
Daniel W. Buckley, Jr., Clifton Station.
Bernard P. Nearhood, Jewell Ridge.
William F. Shipe, Middletown.
Lois Hurt, Tazewell.

WASHINGTON

George Janssen, Bellingham.
William C. Pearson, Ocean Park.

WEST VIRGINIA

Fred Gainer, Parkersburg.

SENATE

MONDAY, MARCH 18, 1940

(Legislative day of Monday, March 4, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Most merciful God, who art of purer eyes than to behold iniquity, and hast promised forgiveness to all those who confess and forsake their sins: We come before Thee realizing our unworthiness, acknowledging our manifold transgressions, and beseeching Thy mercy and pardon. Grant us Thy grace and protection for the ensuing day; keep us temperate in all things, and diligent in our service to our country; help us to be true to our ideals and upright in our dealings with each other, full of compassion and ready to do good to all men according to our abilities and opportunities.

Incline our hearts to keep Thy righteous law; and in every decision that we shall be called upon to make in these momentous days, in the strife of truth with falsehood, grant that we may never betray, deny, or forsake the truth as it is in Christ Jesus our Lord, whose cross of love alone can save a sorrowing, sin-sick world, and in whose name we offer up these, our imperfect prayers. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, March 15, 1940, was dispensed with, and the Journal was approved.

ATTENDANCE OF A SENATOR

HOMER T. BONE, a Senator from the State of Washington, appeared in his seat today.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On March 14, 1940:

S. 1449. An act for the relief of George Stockman;

S. 2157. An act for the relief of George H. Eiswald;

S. 2276. An act for the relief of the R. G. Schreck Lumber Co.;

S. 2843. An act granting easements on Indian Lands of the Wind River or Shoshone Indian Reservation, Wyo., for dam site and reservoir purposes in connection with the Riverton reclamation project;

S. 2866. An act to provide for allowance of expenses incurred by Veterans' Administration beneficiaries and their attendants in authorized travel for examination and treatment; and

S. 3012. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purpose," approved July 1, 1902 (52 Stat. 662), relative to the payment of the commuted rations of enlisted men.

On March 15, 1940:

S. 547. An act to amend section 23 of the act of March 4, 1909, relating to copyrights;

S. 1088. An act to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute;

S. 2152. An act to protect scenic values along the Catalina Highway within the Coronado National Forest, Ariz.;

S. 2740. An act to amend section 9a, National Defense Act, as amended, so as to provide specific authority for the employment of warrant officers of the Regular Army as agents of officers of the finance department for the disbursement of public funds;

S. 2769. An act to amend section 55, National Defense Act, as amended, to provide for enlistment of men up to 45 years of age in technical units of the Enlisted Reserve Corps;

S. 2879. An act to authorize the posthumous appointment of the late Arthur Mortimer Fields, Jr., to be an ensign of the United States Navy;

S. 2973. An act for the relief of Inez Gillespie;

S. 2992. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.; and

S. J. Res. 206. Joint resolution creating a commission to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law.

LOTS IN HARDING TOWN SITE, FLORIDA—VETO MESSAGE (S. DOC. NO. 164)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying bill, ordered to lie on the table and to be printed:

To the Senate:

I am returning herewith, without my approval, S. 538, a bill for the relief of certain purchasers of lots in Harding town site, Florida.

It is the purpose of this bill to direct the Secretary of the Interior to issue a patent to any person who, as a result of an auction sale of lots in Harding town site, Florida, conducted during February 1924, agreed to purchase a lot in such town site and who (1) prior to the date of approval of this act, has paid to the United States 75 percent or more of the agreed purchase price of such lot, or (2) within 12 months after the date of approval of this act makes payment to the United States which, together with payments previously made, amounts to 75 percent of the agreed purchase price of such lot.

Approval of the bill would relieve the purchasers of 71 lots in the Harding town site of paying into the Federal Treasury approximately \$52,000, representing the final installment due and payable more than 10 years ago. When the 133 lots in this town site were offered for sale in 1924, 128 were purchased. None of the purchasers paid in cash. All elected to pay one-fourth of the bid price in cash and the balance in three equal installments, 1, 2, and 3 years after the date of sale. The purchasers of 57 lots have completed payments aggregating \$179,770.

While the appraisal for these lots in 1924 was only \$59,000, the purchasers entered into binding contracts for paying to

the United States a sum several times more than the then appraised value. It is to be assumed that the purchasers had assured themselves that the lots were worth the amount they contracted to pay. The controversy concerning this legislation led the Secretary of the Interior to have the property reappraised by three local independent appraisers. This new appraisal made as of May 5, 1938, less than 2 years ago, placed the fair value of the 128 lots at \$575,800. According to this appraisal, the 57 lots were valued at \$297,150, and the 71 lots affected by this bill were appraised at \$278,650, as compared with a purchase price of \$208,775. Thus according to this appraisal the value of the lots on which payments are due is \$69,875 in excess of the contract price.

While it is true that some of the purchasers who have not made full payment for their lots contracted to pay more than their value as indicated by the 1938 appraisal, a substantial majority of the purchasers who still owe balances on their lots will, according to the same appraisal, have a value greater than the contract price, even though the full amount is paid. In some instances the appraised value is three or four times greater than the contract price. Moreover, approval of this bill would discriminate against those who have paid the entire contract price on their lots and in favor of those who have been delinquent.

No good reason appears for relieving the purchasers of the obligations which they assumed many years ago. They have not been required to pay interest on the deferred payments, and it is my understanding that no taxes have been collected on these lots.

In the circumstances, I am compelled to withhold my approval of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 18, 1940.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lee	Russell
Ashurst	Downey	Lodge	Schwartz
Austin	Ellender	Lucas	Schwellenbach
Bailey	Frazier	Lundeen	Sheppard
Bankhead	George	McCarran	Shipstead
Barbour	Gerry	McKellar	Smathers
Barkley	Gibson	McNary	Smith
Bilbo	Gillette	Maloney	Stewart
Bridges	Guffey	Mead	Taft
Brown	Gurney	Miller	Thomas, Idaho
Bulow	Hale	Minton	Thomas, Okla.
Byrd	Harrison	Murray	Thomas, Utah
Byrnes	Hatch	Neely	Tobey
Capper	Hayden	Norris	Townsend
Caraway	Herring	Nye	Tydings
Chandler	Hill	O'Mahoney	Vandenberg
Chavez	Holman	Overton	Van Nuys
Clark, Idaho	Holt	Pepper	Wagner
Clark, Mo.	Hughes	Pittman	Walsh
Connally	Johnson, Calif.	Radcliffe	Wheeler
Danaher	Johnson, Colo.	Reed	White
Davis	La Follette	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Utah [Mr. KING] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Virginia [Mr. GLASS] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

ENFORCEMENT OF CUSTOMS AND IMMIGRATION LAWS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," approved June 26, 1930, which, with the

accompanying paper, was referred to the Committee on Finance.

ACTS OF THE LEGISLATURE OF PUERTO RICO

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a certified volume comprising the acts of the second special session of the Fourteenth Legislature of Puerto Rico, 1939, which, with the accompanying document, was referred to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the convention of the California State Council of Carpenters at San Jose, Calif., protesting against the continuation of public-building projects under the supervision of the W. P. A. rather than under the P. W. A., which was referred to the Committee on Appropriations.

He also laid before the Senate a letter in the nature of a petition from the president of the board of directors of Cameron County Water Control and Improvement District, No. 6, Los Fresnos, Tex., praying for the enactment of the so-called West bill, for the conservation of flood waters of the lower Rio Grande Valley of Texas, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted at a regional conference of the W. C. T. U. of Minnesota and North Dakota at Grand Forks, N. Dak., favoring peace and keeping the United States out of war, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the Social Justice and Civil Liberties Council of the Community Church, of Boston, Mass., and the Fourth Annual Conference of the American Committee for Protection of Foreign Born, held in Washington, D. C., protesting against the enactment of pending antialien legislation, which were referred to the Committee on Immigration.

He also laid before the Senate a resolution of Union Chapter, No. 525, State, City, Municipal Workers of America, of the Bronx, New York, protesting against the enactment of the bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Southern California District, No. 4, Maritime Federation of the Pacific, San Pedro, Calif., favoring the enactment of legislation to authorize the Secretary of War, in the interest of the national defense, to make a survey of the proposed T-tunnel as a means of communication between San Pedro, Wilmington, Terminal Island, and Long Beach, Calif., which was referred to the Committee on Military Affairs.

Mr. HOLT presented a resolution of the West Virginia Chamber of Commerce, protesting against the proposed construction of dams at Letart, W. Va., and Greenup, Ky., and also the installation of hydroelectric power facilities at these sites, which was referred to the Committee on Agriculture and Forestry.

He also presented a paper in the nature of a petition of the post officers' area conference of the American Legion, Department of West Virginia, meeting in Sistersville, W. Va., representing Wheeling, Moundsville, McMechen, Weirton, Cameron, New Martinsville, Wellsburg, Follansbee, Benwood, Pine Grove, Hundred, Weston, Buckhannon, Clarksburg, Lumberport, West Union, Shinnston, Gassaway, Salem, Parkersburg, Spencer, Point Pleasant, Glenville, Middlebourne, Elizabeth, Sistersville, St. Marys, Grantsville, Pennsboro, Ripley, and Ravenswood, all in the State of West Virginia, praying for the enactment of legislation to acquire additional ground for the national cemetery at Grafton, W. Va., which was referred to the Committee on Public Lands and Surveys.

PROPOSED EQUAL-RIGHTS AMENDMENT TO THE CONSTITUTION

Mr. BROWN presented resolutions adopted at the Women's City Club, Detroit, Mich., which were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

RESOLUTIONS UNANIMOUSLY PASSED ON FEBRUARY 15, 1940, AT THE WOMEN'S CITY CLUB, DETROIT, MICH.

Whereas in the State of Michigan there exist several laws which discriminate against women in the economic, political, and civil fields; and

Whereas the Supreme Court of the United States has ruled that such restrictive legislation for women, alone, does not violate the Constitution; and

Whereas it is necessary to tirelessly fight proposed legislation which discriminates against women in every session of Congress and the Michigan Legislature, while the equal-rights amendment is buried in the Judiciary Committee of both the Senate and House of Representatives; and

Whereas the only permanent vehicle to prevent such invasions of fundamental rights is a constitutional amendment: Therefore be it

Resolved, That the Michigan branch of the National Woman's Party demands as a simple matter of justice to the women citizens of the United States that the equal-rights amendment be favorably reported immediately to both Houses of Congress and by them submitted to the people of the country for ratification; and be it further

Resolved, That a copy of this resolution be sent by the Michigan branch of the National Woman's Party to the chairmen and the members of the Judiciary Committee of both the Senate and the House of Representatives, and to the Michigan delegation in Congress individually.

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (H. R. 7079) to provide for the appointment of additional district and circuit judges, reported it with an amendment.

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 6480) to amend the Agricultural Adjustment Act of 1933, reported it without amendment and submitted a report (No. 1325) thereon.

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 3368) to amend the Civil Service Retirement Act and other retirement acts, reported it without amendment and submitted a report (No. 1326) thereon.

Mr. MEAD, from the Committee on Civil Service, to which was referred the bill (H. R. 5784) to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes, reported it without amendment and submitted a report (No. 1327) thereon.

REPORT OF AMERICAN INSTRUCTORS OF THE DEAF (S. DOC. NO. 165)

Mr. HAYDEN, from the Committee on Printing, to which was referred the report of proceedings of the Thirty-first meeting of the Convention of American Instructors of the Deaf, held at Berkeley, Calif., June 18 to 20, 1939, reported it with the recommendation that it be printed as a Senate Document; and, on motion by Mr. HAYDEN, it was

Ordered, That the report of proceedings of the thirty-first meeting of the Convention of American Instructors of the Deaf, held at Berkeley, Calif., June 18 to 20, 1939, be printed as a document.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. MILLER, from the Committee on the Judiciary, reported favorably the nomination of Roulhac Gewin, of Alabama, to be United States marshal for the southern district of Alabama.

Mr. CHANDLER, from the Committee on the Judiciary, reported favorably the nomination of Henry C. Walthour, of Georgia, to be United States marshal for the southern district of Georgia.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOWNEY:

S. 3601. A bill to authorize the use for general road and trail construction purposes of the unexpended balance of funds

paid by the city and county of San Francisco to the United States for road and trail construction purposes in Yosemite National Park, Calif., and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. SHIPSTEAD:

S. 3602. A bill to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to all postmasters who have rendered at least 40 years of service; to the Committee on Civil Service.

S. 3603. A bill for the relief of Howland & Waltz Co., Ltd.; to the Committee on Claims.

S. 3604. A bill to extend the times for commencing and completing the construction of a bridge across the St. Louis River at or near the city of Duluth, Minn., and for other purposes; to the Committee on Commerce.

(Mr. MILLER introduced Senate bill 3605, which, with the accompanying paper, was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

S. 3606. A bill for the relief of C. L. Newcomb (with accompanying papers); to the Committee on Claims.

By Mr. MURRAY:

S. 3607. A bill to authorize research by the Public Health Service relating to the cause, diagnosis, and treatment of dental diseases; to the Committee on Education and Labor.

By Mr. WALSH:

S. 3608. A bill to authorize an exchange of lands between the people of Puerto Rico and the United States; to the Committee on Naval Affairs.

By Mr. SCHWELLENBACH:

S. 3609. A bill to authorize a preliminary examination and survey of the Columbia River and its tributaries in Clark County, Wash., extending from the downstream point of the Vancouver Lake area to the upstream point of the Bachelor Island area, a distance of approximately 3 miles, with a view to providing flood control for said area; to the Committee on Commerce.

By Mr. McKELLAR (for himself and Mr. STEWART):

S. 3610. A bill to authorize the use of Tennessee Valley Authority funds for alteration, reconstruction, or relocation of certain highway and railroad bridges; to the Committee on Agriculture and Forestry.

By Mr. LUCAS:

S. 3611. A bill to amend the Migratory Bird Treaty Act and the regulations made pursuant thereto; to the Committee on Agriculture and Forestry.

By Mr. TAFT:

S. 3612. A bill to authorize the Secretary of War to accept, as loans, from States, and political subdivisions thereof, funds to be immediately used in the prosecution of authorized flood-control work, and for other purposes; to the Committee on Commerce.

By Mr. McKELLAR:

S. 3613. A bill for the relief of Inez Smith (with accompanying papers); and

S. 3614. A bill for the relief of the legal guardian of Howard Burkette; to the Committee on Claims.

By Mr. JOHNSON of California:

S. 3615. A bill to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade; to the Committee on Commerce.

S. 3616. A bill to amend the records at the port of New York to show the admission of Steve Zegura, Jr., and B. Dragomir Zegura as aliens admitted for permanent residence; to the Committee on Immigration.

By Mr. BARKLEY:

S. 3617. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the Ohio River Drainage Basin; to the Committee on Commerce.

By Mr. SHEPPARD:

S. 3618. A bill making appropriation for additional research in respect to the effects of the present wars upon agriculture, for the Department of Agriculture, and for other purposes; to the Committee on Appropriations.

S. 3619. A bill relating to changes in the administration of the National Guard of the United States bearing on Federal recognition, pay, allotment of funds, drill, training, and so forth; to the Committee on Military Affairs.

By Mr. PEPPER:

S. J. Res. 232. Joint resolution to determine the feasibility of extending the activities of the Bureau of Reclamation to the Southern States; to the Committee on Irrigation and Reclamation.

BRANCH BANKS AND OFFICES OF FINANCIAL INSTITUTIONS

Mr. MILLER. Mr. President, I ask unanimous consent to introduce a bill to restrict the establishment of branch offices by financial institutions, and so forth, and request that a statement accompanying the bill may be printed in the RECORD.

There being no objection, the bill (S. 3605) to restrict the establishment of branch offices by financial institutions chartered or insured under the laws of the United States, was read twice by its title and, with the accompanying paper, referred to the Committee on Banking and Currency; and the statement above referred to was ordered to be printed in the RECORD, as follows:

The bill does not interfere with the legal branch banks that are now in existence but does prevent the organization or establishment of any other branch banks. It preserves the status quo of such existing institutions. The bill, if enacted, will prevent the establishment of any branch offices hereafter by all financial institutions chartered by or pursuant to any law enacted by the Congress, or any financial institution whose shares, accounts, investments, or deposits are insured to any extent by the United States or any agency or instrumentality of the United States.

The bill is designed to protect the existing banking system and to preserve the independent bank as a vital force in our economic system. The present trend toward branch banking is pronounced. In 1920 only 4 percent of all banking offices belonged to branch systems, as compared with 24 percent in 1938.

On April 29, 1938, the President of the United States transmitted a message to the Congress in which he recommended the strengthening and enforcement of the antitrust laws. In that report, at page 8, he said:

"It is hardly necessary to point out the great economic power that might be wielded by groups which may succeed in acquiring domination of banking resources in any considerable area of the country. That power becomes particularly dangerous when it is exercised from a distance and notably so when effective control is maintained without the responsibilities of complete ownership."

It is thought by many citizens that it is necessary to stop the trend toward branch banking, and this bill is designed for that purpose; but it will not disturb the operation of the banks now in existence.

CENSUS OF 1940

[Mr. TOBEY asked and obtained leave to have printed in the RECORD a telegram sent by him to the President of the United States on March 15, relative to the census of 1940, a letter from Hon. Harry L. Hopkins and Senator TOBEY's reply thereto, as well as several editorials, which appear in the Appendix.]

FORTY-FOURTH ANNIVERSARY OF THE FOUNDING OF THE VOLUNTEERS OF AMERICA

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a statement prepared by him on the occasion of the forty-fourth anniversary of the founding of the Volunteers of America, which appears in the Appendix.]

ADDRESS BY SENATOR LODGE BEFORE CHARITABLE IRISH SOCIETY

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by Senator LODGE before the Charitable Irish Society in Boston, Mass., March 16, 1940, which appears in the Appendix.]

LETTER FROM SENATOR SMATHERS TO PRESIDENT OF NEW JERSEY STATE ASSEMBLY ON PRESIDENTIAL THIRD TERM RESOLUTION

[Mr. LEE asked and obtained leave to have printed in the RECORD a letter written by Senator SMATHERS to the president of the New Jersey House of Assembly relative to a resolution passed by the house of assembly memorializing Congress to enact legislation to prevent any President from seeking a third term, which appears in the Appendix.]

ADDRESS BY SENATOR LUCAS ON RECIPROCAL-TRADE AGREEMENTS

[Mr. BARKLEY asked and obtained leave to have inserted in the RECORD a radio address by Senator LUCAS on the Ameri-

can Forum of the Air Sunday, March 17, 1940, discussing the reciprocal-trade agreements, which appears in the Appendix.]

ADDRESS BY SENATOR CAPPER ON RECIPROCAL-TRADE AGREEMENTS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address delivered by him on the American Forum of the Air on March 17, 1940, on the subject of reciprocal-trade agreements, which appears in the Appendix.]

WIRE TAPPING

[Mr. ASHURST asked and obtained leave to have printed in the RECORD a statement by the Attorney General of the United States of March 19, 1940, and a statement by Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, of March 13, 1940, on the subject of wire tapping, which appear in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY BEFORE FRIENDLY SONS OF ST. PATRICK

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD a radio address delivered by Postmaster General Farley at the annual dinner of the Friendly Sons of St. Patrick held at the Hotel Mayflower, Washington, D. C., March 16, 1940, which appears in the Appendix.]

OPINION OF JUDGE PARKER IN NATIONAL LABOR RELATIONS BOARD AGAINST HIGHLAND PARK MANUFACTURING CO.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion of Senior Circuit Judge Parker, in the United States Circuit Court of Appeals for the Fourth Circuit, in the case of National Labor Relations Board against Highland Park Manufacturing Co., which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an article on the renewal of the reciprocal trade treaty powers written by Edward H. Snyder and published in the Picoche (Nev.) Lincoln County Independent of Thursday, March 14, 1940, which appears in the Appendix.]

ADDRESS BY CECIL F. BATES ON FEDERAL TAXATION OF MUNICIPAL BONDS

[Mr. BANKHEAD asked and obtained leave to have printed in the RECORD an address on the subject of Federal taxation of municipal bonds delivered on March 8, 1940, by Cecil F. Bates, mayor of Mobile, Ala., at the Southern Regional Conference of the United States Conference of Mayors, held at Birmingham, Ala., which appears in the Appendix.]

ARTICLE BY DR. JOHN J. WICKER, PRESIDENT OF FORK UNION MILITARY ACADEMY, VIRGINIA

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article by Dr. John J. Wicker, president of the Fork Union Military Academy, Virginia, entitled "Is It a Crime to Have a Dollar?" which appears in the Appendix.]

PREPARING COERCION—EDITORIAL FROM WASHINGTON POST

[Mr. McNARY asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of Friday, March 15, 1940, entitled "Preparing Coercion," which appears in the Appendix.]

AUTHORITY VESTED IN GOVERNMENT BUREAUS

[Mr. MILLER asked and obtained leave to have printed in the Appendix of the RECORD an editorial published in the El Dorado (Ark.) Daily News of March 13, 1940, dealing with the authority vested in Government bureaus, which appears in the Appendix.]

EDITORIAL FROM NEW YORK TIMES ON REGULATION OF INVESTMENT TRUSTS

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial from the New York Times of March 16, 1940, relative to the regulation of investment trusts, which appears in the Appendix.]

EXTENSION OF ANTIPERNICIOUS POLITICAL ACTIVITIES ACT

The Senate resumed the consideration of the bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the

act entitled "An act to prevent pernicious political activities," approved August 2, 1939.

The VICE PRESIDENT. When the Senate took a recess last Friday the Senator from West Virginia [Mr. NEELY] had offered an amendment and asked that it be pending. The Senate understood that the Senator's amendment was pending. The Chair understands that the Senator's amendment is to an amendment which has been adopted by the Senate. In order to consider that amendment to the amendment which has been adopted, the Senator must get unanimous consent to offer the amendment, or a motion must be made and carried to reconsider the amendment adopted by the Senate.

Mr. NEELY. Mr. President, in order to avoid the difficulty stated by the Chair, I offer my amendment as a new section and number it 12½. In the circumstances, neither reconsideration nor unanimous consent will be necessary.

The VICE PRESIDENT. The Senator offers his amendment as a new section.

Mr. NEELY. Mr. President, I ask that it be reported by the clerk.

The VICE PRESIDENT. Without objection, the amendment will be stated as a new section.

The CHIEF CLERK. It is proposed to add a new section, to be known as section 12½, to read as follows:

No officer or employee of any State or local agency who exercises any function in connection with any activity which is financed in whole or in part by loans or grants made by the United States or by any Federal agency shall directly or indirectly coerce, attempt to coerce, command, or advise any officer or employee embraced by this section to pay, lend, or contribute any part of his salary or compensation or anything else of value to any party, committee, organization, agency, or person for political purposes.

Mr. NEELY. Mr. President, by virtue of the Bankhead amendment, we have protected the wealthy against all demands of the politicians for campaign contributions in excess of \$5,000.

The pending amendment, if adopted and enacted, will completely protect all employees who are within the purview of the bill against the State machines which are now plundering them of a part of their compensation for factional and political purposes. It will deal a death blow to the indefensible 2-percent political clubs of West Virginia. Under their operation an employee who has earned but \$3.50 in a whole month is compelled to pay 7 cents tribute to the State political machine in order to obtain his check.

If the Senate adopts this amendment, it will thereby assure the relief which I seek to obtain for the people of West Virginia, and the request for a vote on my proposed substitute for the bill will be withdrawn.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. I was absent from the Senate most of Saturday afternoon. Is there a unanimous-consent agreement to vote at a specified time?

The VICE PRESIDENT. The Senate will vote at 3 o'clock this afternoon.

Mr. NORRIS. Then I desire to be heard on the amendment briefly. I have been voting against amendments because I felt the Senate was fairly evenly divided on what I believed to be a filibuster against the bill, and while I have no fault to find with those who engage in filibusters, because I have often been guilty of it myself, however, when I was on the side trying to break a filibuster, there were two things I considered very important. One was to keep quiet and compel the others to do all the talking. The second was to vote against any amendment which might be offered.

Candidly, I confess I did not give the consideration to some of the amendments offered to the pending bill which I would have given to amendments under any other circumstances. But now we have agreed to vote at a specified time, and I feel just a little different about amendments. It cannot be charged that one is filibustering, and in the nature of things a filibuster cannot exist where a definite time has been fixed for a vote.

I cannot see anything wrong with the amendment just offered. In fact, it seems to me to be a good amendment. It seems to me that it strikes at one of the evils which we desire to cure, and I do not see why anyone who is in favor of the pending legislation cannot conscientiously vote for the amendment. I feel like voting for it unless some good reason can be given why I should not. I wonder whether the Senator from New Mexico is opposed to the amendment.

Mr. HATCH. Mr. President, as I understand the amendment offered by the Senator from West Virginia, he is really trying to carry out the fundamental purposes of the measure now before us.

Mr. NORRIS. I think so.

Mr. HATCH. As I have understood the amendment from his explanation of it, it is my intention to vote for the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from West Virginia.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. MINTON. Mr. President, I send an amendment to the desk which I ask to have reported.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add the following new section at the end of the bill:

Sec. 16. All officers and employees of the United States affected by the provisions of this act, as approved August 2, 1939, and by this or any amendments thereto, shall, on the date of the approval of this act, be covered into the civil service, and entitled to all the rights, privileges, immunities, and safeguards now accorded by law to officers and employees of the United States now in civil service.

Mr. MINTON. Mr. President, the amendment which I have sent to the desk proposes a new section to the bill, to apply only to Federal employees affected by the Hatch Act, or any who might be affected by the pending amendment to the Hatch Act. It merely provides that from the date the amendment shall go into effect all Federal employees affected by the so-called Hatch Act and the proposed amendment shall be covered into the civil service, and shall enjoy all the rights, privileges, and safeguards of the civil service.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. McKELLAR. How many employees would be affected?

Mr. MINTON. I am advised there are about 271,000. It must be remembered that those who are affected by the Hatch Act, and who would be affected by the amendment now pending, if any would be caught under the amendment—a matter as to which I cannot state definitely—are denied the right to take any part at all in politics, and fight for the jobs they hold, while someone on the outside who might want one of the jobs, who might want the political party in power to fail, is at liberty to do anything he desires to do, in a political way, in order to get one of the jobs, or to defeat the party in power. The amendment I have offered would merely provide that those, who have had taken away from them the right to participate in politics at all, shall have the same safeguards the civil-service employees have.

We have heard much about the civil-service employees in the course of the debate and how they have been under the ban not to take part in politics. What I am seeking to apply to those who come under the Hatch Act is the same thing the civil-service employees have been under for 50 years. If it is good for them to stay out of politics, and be rewarded by being secure in their jobs, not being kicked out without a trial, and having pensions provided for them, then, since we take away from those who are affected by the Hatch Act the right to participate in politics at all, why should we not give them the same safeguards we give those who are in the civil service, provide that they may have their jobs for life, except, of course, as they may be removed for cause, and that they cannot be removed unless they have a trial, just as anyone in the civil service is entitled to a trial. After they have served

their time and have given their lives to the service, they should be retired with pensions, just as are the others in civil service.

Will some Senator stand on the floor—and I will yield in my time, brief as it is—and tell me why, in justice and fairness, those who are placed under the ban of taking part in politics under the Hatch Act should not have all the benefits of the civil service which the civil-service employees, who are under the same ban, now have? The Senator from New Mexico is simply applying the civil-service ban to those who are in politics, taking them out of politics; but he is not giving them any of the safeguards employees in civil service have enjoyed for 50 years. So I say that in fairness to those who are being muzzled, in fairness to those from whom is being taken the right to participate in politics, we should give them the same so-called safeguards which are given other employees in civil service.

Mr. President, that is all there is to the amendment; and I should like to hear any Senator give a good reason why these employees should not be under civil service. There is not a thing to it except an attempt to be fair to employees to whom the act is to be applied, to be as fair to them as to other "dehorned" employees in the civil service. They cannot take any part in politics, but they get a benefit in the way of security of position, in the way of pensions, and all that sort of thing. There is no use taking the time of the Senate in further discussing the amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. CONNALLY. That is pretty good for the Federal employees, but how about the State employees? What is the Senator proposing to do for them?

Mr. MINTON. That is a bigger problem, and it was a little too difficult for me to reach with a simple amendment. I do not know whether they can be reached or not, but if that problem is to be reached, it would have to be reached by an amendment which would require a great deal more study and consideration than I was able to give to the matter. But the amendment I have offered is a simple one.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BARKLEY. The House of Representatives has passed a civil-service bill providing that certain employees not now in the civil service shall be qualified for the civil service, and I am told that that bill is being considered by the Senate Committee on Civil Service, or will be within the next few days. It seems to me that any measure covering a great many employees, hundreds of thousands of them, into the civil service, should receive the consideration of a committee which is familiar with the subject. It seems to me that one of the troubles is that attempting to reach this question by an amendment to the pending bill, without any consideration being given it by the committee charged with the consideration of that kind of legislation, is more or less like going up a blind alley on this subject. It might include many employees the Civil Service Committee would never report as being entitled to go under civil service. If such legislation is to be given the careful consideration it should receive—and I am sympathetic with it, I will say to the Senator—I doubt whether it should be attempted as an amendment to the pending bill. I should like to know the Senator's reaction to the situation, in view of the fact that the Committee on the Civil Service is considering a bill involving a kindred subject.

Mr. MINTON. This amendment is quite simple. These employees are now being told that they shall not take part in politics. I am proposing to put the employees affected by the Hatch Act under the same ban, to put the same muzzle on them that applies to employees in civil service and which has applied to them for 50 years. It is a simple matter. The Senate has been discussing it for 2 weeks, and everyone understands it. We know exactly what we would be doing to these employees. We would be extending to them the same provisions which have governed the civil service for 50 years, and if we have been doing it that long, merely increasing the number should not make any difference.

Mr. CONNALLY. If we put these employees under civil service, would we not remove practically all temptation to engage in politics?

Mr. MINTON. Yes.

Mr. CONNALLY. When most of them engage in politics they do so in order to get a job or to hold a job. If we make them secure in their jobs, they will not be very active in politics. Many of them do not desire to be, anyway. If one of them can get a job and hold it, he will forget all about the man who helps him get the job.

Mr. MINTON. If we are going to dehorn them, we should take them away from the longhorns. We should put them in the same category with the employees who have these safeguards, because we are putting them under the same ban which applies to the civil-service employees.

Simple as this proposal is, I cannot see how anyone can resist it. It cannot be said that it would emasculate the bill; it cannot be said it is an attempt to defeat the bill, or destroy it. This certainly must be in consonance with what the Senator from New Mexico is trying to do. He is trying to protect people from the vicious thing known as politics. He wants to get the employees out of politics. He certainly wishes to treat them fairly after he gets them out. If he is to put a civil-service muzzle on them, he should put a civil-service leash on them. They should have the same protection in all respects as the other employees enjoy.

There is no reason why this matter should go to the Committee on Civil Service. It is merely a question of whether 271,000 more should come under the protection and safeguards of the civil service when a civil-service muzzle is put on them. They are being prevented from taking any part in politics, and they should be safeguarded against the things which will happen to them in politics.

How long would these employees last in their jobs if someone came along who was unfriendly to them in politics? They cannot do anything to defend themselves; they are helpless. They go out if they do anything to try to protect themselves. So in all fairness we should give these employees the same safeguards we give the civil-service employees. It is a simple proposal, and it will not do, it seems to me, for the Senator from New Mexico and the Senator from Kentucky to say, "Well, I am going to consider this thing later on. I have been considering a bill which the Committee on Civil Service, or some other committee, has," when the matter is as simple as this amendment is.

The time is getting short, as the Senator from New Mexico said. It is getting very short for those opposed to the bill. We have to vote at 3 o'clock, and we want this amendment adopted now, in order that those affected by it may be protected, in order that they may have the shield about which the Senator from Kentucky talked a few days ago.

I want to shield these people. I do not want to see them knifed. I do not want to see them caught on the sword. It is evident that they are in the same class as civil-service employees, but they do not get the benefit of civil service. By this simple amendment we want to bring them in and give them the benefit of civil service.

Mr. SMITH. Mr. President, the other day the Senator from North Carolina [Mr. BAILEY] made a speech on the subject of processes of democracy. He took occasion to point out that the pending bill, in its operations, following the appropriation of Federal money, would invade the rights of the States. This morning I noticed that the press contained the startling information that a district Federal court in Georgia had ordered the arrest of the Governor of Georgia. I am not familiar with the details of the fight in Georgia, but it seems that the Governor had some difficulty with the highway department, and in the exercise of his authority as Governor he called out the troops; he ejected the chairman of the highway commission, and locked up the office.

Mr. President, I thought that if there was a matter which was wholly within the jurisdiction of a sovereign State it was the State's internal improvements. It seems that the

Federal judge in question, in the exercise of the new power and the interpretation of States' rights extant today, enjoined the Governor from exercising his power to call out the troops and to declare martial law for a certain district. Along came the Federal judge and enjoined the Governor. The Governor paid no attention to the injunction, but did that which we have heretofore been taught to believe was his right. The Governor of a sovereign State was arrested by order of an inferior court because the Governor, in his sovereign capacity, exercised the function of Governor of a sovereign State. The Governor was addressing a great body of teachers, and the United States marshal went up on the platform and arrested him. He is now under the jurisdiction of the marshal to make his appearance before the court next Friday.

Mr. President, I do not hold any brief for the Governor of Georgia. I do not care a snap of the finger about the person in question, but I care about the principle involved. What has happened in this instance is indicative of the principle that is rampant today. It is also indicative of just where the present measure is leading us, as the Senator from North Carolina well said in his able address.

Mr. President, the proposed legislation strikes at the very foundation of democratic processes. We now see a Federal judge enjoining a State Governor. It does not place very much of a strain on one's imagination to imagine that the whole cabinet of that Governor and all the officers charged with administrative and ministerial duties were particeps criminis, and that all of them were enjoined by the Federal court. Where, then, would be the government of the State? Its representatives would be under arrest, incarcerated. It was proposed to take the Governor and put him in jail, but he squabbled around and got a stay of proceedings upon his humble promise to appear before the judge of the inferior Federal court to show why he should not be punished for disregarding the order of a court which we, the Congress, established. The Constitution provides for only one Court and limits its jurisdiction. I took pains this morning to read just how far the Supreme Court could go. Its duties involve no function of interfering with the processes of a sovereign State. That, Mr. President, is something which is pertinent to the very bill under consideration. The judge in question issued his injunction because the Governor was interfering with the expenditure of certain Federal money. So the State of Georgia must sink to the level of a county. The State is now wholly under the jurisdiction of the Federal Government.

Mr. President, I want to warn all those who are rushing in with legislation of the type now under consideration that they are giving hostages to fortune.

I have inquired of the legal minds in this town, and none of them can recall a case of a judge enjoining a Governor and having him arrested. That came very near being done in the old days before the War between the States, and the reply came in what occurred from 1860 to 1865. We got licked, but we let them know that we were fighting. Oh, yes; we did. We astonished the world with the intrepid bravery and patriotism of the devoted followers of the immortal Lee and Jackson. No American needs to be ashamed of those two names.

Mr. President, clothed as the Court is with limited authority, an injunction cannot issue except in cases of equity. The case in question was wholly one to be decided by Georgia.

I am not sorry for Governor Rivers. I think he deserves everything that is being done to him. I wish he could be divorced from his high relations to the State of Georgia, and then let them put him in jail. I think he deserves to go there. I am speaking solemnly. He backed up packing the Supreme Court and asked the proponents to that plan to pour their shekels into Georgia, and they converted shekels into shackles. Now he is threatening to call out the militia. He ought to do it. He is sovereign in the State of Georgia. But I want my colleague to understand what this thing in Georgia foreshadows.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. CONNALLY. I may suggest to the Senator from South Carolina that the Governor of Georgia could probably get a very quick test of the matter by applying to the Supreme Court of the United States directly for a writ of habeas corpus.

Mr. SMITH. I know it, but I do not know whether the Governor would like to do that or not.

Mr. CONNALLY. He would rather do that than go to jail.

Mr. SMITH. Within the sovereign rights he has as Governor and the limitation of the power of the Federal courts over the States he would not go to jail. If I were the Governor I would fight it out in Georgia. I would not go to the Supreme Court. As it is now constituted he must be worse off if he went there than he is now. I think I would advise him to stay away from the Supreme Court.

Mr. President, I do not want my colleagues to lose the implication in the Georgia incident. What has taken place there is exactly in line with the implications of the pending bill; that the Federal Government has plenary power wherever its money goes, and Congress is turning over to the Civil Service Commission the power to determine what is or what is not a violation of the law. It is provided in the bill, it is true, that some poor devil who may violate its provisions shall have access to the Court. But how many such violators of this law would be able to take advantage of that particular provision? How many of them would be able to get access to the Court?

Mr. President, an inferior court has arrested the supreme executive of the only supreme, unregulated, and unspecified power in America, namely, a State. Georgia helped create the Federal Government. Now the Federal Government has become so large that it is destroying its creator. It is an embarrassing position for the Governor. I hope this body will appreciate the significance of that incident. It is the natural logic of events growing out of our departure from the Constitution of the United States.

Heretofore on the floor of the Senate I have enumerated certain things which every lawyer and every other person who loves the dual form of government knows are violations of the Constitution. Mark my words—a false principle wrought into real life will work itself out in disaster. The most horrible thing in public life is an unfortunate precedent. We are scattering them broadcast all over America. Of course, when we appropriate money we want to be the beneficiaries, politically and otherwise, of the appropriation. In the main that is what we appropriate money for. There are certain things that ought to be done.

Mr. President, some one very pertinently sends me a note saying, "Sherman is marching through Georgia again."

Mr. CLARK of Missouri. Who? SHERMAN MINTON?

Mr. SMITH. The note says, "Sherman is marching through Georgia again."

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. Does the Senator mean SHERMAN MINTON?

Mr. SMITH. Well, the note says, "Sherman." The Senator can apply it as he pleases. [Laughter.]

Mr. President, I do not give a continental about the civil service. My observation has been that it has been the most uncivil thing ever incorporated into our political life. It puts certain men in office and keeps them in regardless of their fitness. Everyone knows that. It is an ingenuity by which the ins remain in, and the outs want to have some modification made of it until they get in.

There are many strange things connected with this bill, whose purpose is supposed to be to purify politics. I want to ask, When in the name of the God who made us do Senators expect to see pure politics? Senators know there is no "pure

politics." They do not expect any pure politics. Pure politics are not in operation here now.

Every man who has sense enough to become a Member of this body wants his little playhouse for his own benefit. He says, "I do not care a continental what the Constitution says, or what anything else says, but do not knock down my playhouse. I am going to stay where I will get the benefit of my breach of the rights of the people. You cannot pour out billions of dollars and not make me the beneficiary of it."

What saddens me is to see the great principles involved in our Government ignored when they affect our personal interest. God knows I have tried to adhere to those principles without regard to my political fortunes. I hate to inject myself into the debate, but I have never regarded my sitting in this body as essential to the welfare of America. Once I have assumed this responsibility, I believe that my duty is plain, and I shall live up to the fundamental principles of the Constitution so long as I am a Member of this body, regardless of who is in power.

This is a monstrous thing we are doing. We are saying to a man, "If you get a job, you must shut your mouth. You must not engage in politics." Along comes a Federal judge and enjoins the Governor of Georgia. The Governor disregards the injunction and is arrested. He is now under the jurisdiction of the United States marshal. The Senator from Texas [Mr. CONNALLY] suggests that the Governor go to the Supreme Court.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CONNALLY. I merely suggested that he could go to the Supreme Court. I did not suggest that he do so. That is up to him. I do not mean to suggest.

Mr. SMITH. We have discarded the Constitution. I hope—and it is only a hope—that so long as men love freedom and their own self-respect, so long as men feel in their hearts that they have a right to life, liberty, and the pursuit of happiness and to enjoy the proceeds of their own efforts, so long will the Constitution and the immortal Bill of Rights be a glorious fact in their lives. There is not a liberty-loving man, one who loves genuine essential liberty, who would not fight and die for the Constitution of the United States, just as our forbears did.

I wish to take occasion again to refer to the injunction and arrest of the Governor of the sovereign State of Georgia because he interfered with the expenditure of certain Federal moneys in the State of Georgia. The Senator from North Carolina [Mr. BAILEY] called attention to that situation. I hope and trust that some day there will be enough real Americans to get back that for which our forbears bled and died. There are many articles in the Constitution. The first seven deal largely with the relation of sovereign States to the Federal Government. The first 10 amendments define the inalienable rights of the individual.

As I have said, and now repeat, at one time we had patriots. We have them now. However, the modern crowd are p-a-y-t-r-i-o-t-s. We have more of those today than we have of p-a-t-r-i-o-t-s.

I hope that the Governor of Georgia will do his duty as a man and restore the sovereign power of the State, which was never given to the Federal Government. Were I the Governor of the State of Georgia there would be another local secession.

I think shortly we shall have amendments to the Constitution denying to the States their reserved powers. Today we have a government of men and not of law. That is what is the matter with us. We are bowing down and worshipping certain men because they have exhausted the Treasury and scattered their largess broadcast over the land.

Friday I sat in this Chamber and heard a Senator for whom I have the profoundest respect—or did have—say that this administration had done the necessary thing in ruthlessly scattering abroad billions of the hard-earned money of the people, and that he did not criticize the President of the United States for going into his State and denouncing him. His statement is in the Record. When I reach that level I

will quit this body. Whenever I shall honor a man belonging to my party who comes into my State and denounces me and say that I do not criticize him I will quit this body.

Senators do not seem to care to listen to my criticism or to what is going on, but so far as I am concerned I resent the tendency of this body to bow down and worship at the corrupt throne of money. That is what we are doing. We are selling everything dear to us to have a bridge built, or to have a courthouse built, or to have the W. P. A. or the P. W. A. come into the State and spend money. God grant that somewhere, somehow, the inherent love of liberty and individuality that characterized our forbears may be restored, and that the divine fire may touch the American people so that they will repudiate, in ignominy and shame, those who have prostituted the Government under which we live.

Mr. HATCH. Mr. President, just a word on the pending amendment offered by the Senator from Indiana [Mr. MINTON]. In substance, as the Senator explained, this amendment, if adopted and enacted into law, would automatically blanket into the civil service all the employees of the Federal Government not now under the civil service. It would do so without any examination as to qualifications or fitness for office, and would give full lifetime service and privileges to those employees.

I think the Senator from Indiana is moving in the right direction. I think he is going in the direction I want to go. One of the arguments I have made in behalf of legislation such as we have sponsored is that eventually, once we can remove employees from political activity, we shall be enabled to work out a really comprehensive merit system for all Federal employees. I want to do that. I think it should have been done a long time ago, but I do not believe that blanketing all Federal employees into the civil service with one stroke of the pen is working out an efficient merit system. In fact, I think the adoption of this amendment would be detrimental to the civil service itself, and would bring it into discredit and confusion.

The Ramspeck bill, which has passed the House of Representatives, is now before the committee presided over by the distinguished Senator from South Dakota [Mr. BULOW]. If I am not mistaken, hearings have already been set. Am I correct in that statement?

Mr. BULOW. They have not been set.

Mr. HATCH. But it is planned to have hearings on that bill in the near future, is it not?

Mr. BULOW. Yes.

Mr. HATCH. I should very much like to have the Senator from Indiana [Mr. MINTON] submit his amendment to that committee and let the committee consider it before we take such a step.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MINTON. The Senator has pointed out that certain employees would go into the civil service without examination. That is what happens when the President covers them in under an Executive order, is it not?

Mr. HATCH. Yes.

Mr. MINTON. All the amendment would do would be to cover them in under an act of Congress rather than an Executive order. That is the only distinction.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BARKLEY. It is not always true that they are covered in without an examination. Some Executive orders which have been issued required the incumbent to take an examination to determine his fitness for the position which he held; but it is true that many Executive orders have covered employees into the civil service without examination.

Mr. MINTON. That is the general rule.

Mr. HATCH. Mr. President, it is not my intention to take the time of the Senate to argue the various amendments which may be proposed. However, I think it would be a mistake to adopt this particular amendment—a mistake so far as the civil service is concerned, and a serious mistake so far as

the pending legislation is concerned. I hope the amendment will be defeated.

Mr. BAILEY. Mr. President, I do not intend to address myself to the pending amendment. I listened with a great deal of interest to the eloquent remarks of the senior Senator from South Carolina [Mr. SMITH] and with unusual interest to his remarks on the subject of the arrest of the Governor of Georgia at the instance of the judge of the Federal court in that State under proceedings in contempt. The matter is a very unusual one, and it presents rather grave difficulties.

I do not know enough of the facts to undertake to discuss the matter. I may undertake to do so when I do know the facts; but it is my impression—this is from the newspapers—that the Governor of Georgia undertook to dismiss, and actually did dismiss, from the Highway Commission of the State of Georgia a ministerial officer—not an elective officer but an appointive officer—the chairman of the highway commission; whereupon the officer undertaken to be dismissed resisted, but was put out by the State troops at the instance of the Governor of Georgia. Now the situation is reversed; the Federal jurisdiction and power are invoked, and the Federal Government undertakes not to put the Governor of Georgia out of office but to put him into jail.

A man under arrest and in the jail or penitentiary for imprisonment is under disability. One cannot function in jail as a lawyer or as a contractor. He is under disability. I take it that when the Governor of Georgia is placed in jail for contempt by the Federal judge, certainly to a very considerable extent the Governorship of Georgia will be vacated. I take it further that if the Governor of Georgia should resist the United States marshal it would be the duty of the Federal judge to protect the dignity of his court and, if necessary, to call out Federal troops. The State troops having been called out in the first instance, and the Federal troops having been called out in the second instance, we might have another Battle of Manassas.

All of that is very serious. It is so far from our minds that it seems facetious, but fundamentally it is very serious. There is a grave conflict down there. I am not going to undertake to pass on the merits of it, but I am going to undertake to settle it. I think the Congress should act and act at once. I think it should act constructively. We have here this bill; and if we will apply the principles of this bill to that situation, it will all be solved in 24 hours.

This bill declares that if a State officer does certain things he shall be dismissed; he shall be removed. It declares that if the State Highway Commissioner of North Carolina, the head of that entire activity, shall engage in politics, he shall be removed. Why not say that the Governor of Georgia shall be removed if, having accepted gifts or loans from the Federal Government, he does not do just as the Federal judge down there says, or as Mr. Hopkins says, or as Mr. Ickes says? That is in precise analogy with this bill. Then suppose he says, "Well, now, that is the law, but I am not going to get out"—then apply the principle of this bill and say, "We will withdraw all the aid, all the loans, and all the grants of the Federal Government to your State of Georgia. Now you had better get out, and you will get out." I think Governor Rivers would be sure to get out, because he has been very active in the matter of obtaining—I say this to his credit, of course—loans, gifts, grants, and other aid from the Federal Government.

The whole incident perfectly illustrates what we are doing. We are setting up here the principle of Federal control of State officers by means of the Federal power through loans and grants. We are setting up the right to remove a State officer. Why not remove a Governor if we can remove a highway commissioner? Why not remove a Governor if we can remove a clerk? How does the Federal Government acquire jurisdiction over any local officer in North Carolina by merely lending us money which it collected from us or giving us money which it took from us?

I propose my solution; and if the time were not so brief, I would draw an amendment aimed directly at the Georgia situation. I think I could solve it upon the passage of this

bill. I think it is a solution which is much better than this warlike affair we have down there. It is not the use of the force of arms but the use of the force of money. The force of arms may be more honorable, but it is also more bloody and more disagreeable.

That is a serious situation. That is what this bill presents to us. I have never been concerned about the professed objective. I have never thought the bill would accomplish it, because I have been concerned about the interference with the process and the structure of our Government, our democracy.

My faith in my State is unshaken, and that is why I stand where I stand. If any Senator's faith in the capacity of his State to control the activities of its officers and clerks and sheriffs, and so on, has been lost, of course, he may vote for this legislation. He ought to get aid from the Federal Government; but nothing has happened to destroy my faith in North Carolina.

We have had many experiences, Mr. President. I am going to relate one which went far to restore my faith when it was shaken. I do not like to refer to disagreeable subjects. It is not good to linger by the bitter waters; but rarely in my life have I been more stirred than I was by the so-called purge in our party, when the Federal power was broadly invoked in order that the Senator from Iowa [Mr. GILLETTE], the Senator from Indiana [Mr. VAN NUYS], the Senator from South Carolina [Mr. SMITH], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] might be driven out of the Senate. I was tremendously aroused and very gravely concerned, and I watched each contest with an overpowering interest. If I could tell the personal story, you would understand just how overpowering it was.

The culminating contest was the contest in the State of Georgia. I think my interest was tending to grow, anyway, with each contest; and it was beyond bounds, as the hour approached, when the right to a seat in the Senate of one of the noblest men I have ever known, one of the worthiest Senators in all the history of the Senate, one of the truest and most faithful Democrats who ever breathed the breath of our free land, was called in question by the President of the United States. I do not think I thought of anything else as I heard of the approach of the President to Georgia on that mission.

I have never spoken disrespectfully of the President of the United States or of any President, and I never intend to do so. When I heard of his approach to Barnesville all my thoughts were there, and I listened to his address when he called upon the Democrats of Georgia to strike down my friend, my fellow Democrat, a man whom I have always honored and always will honor, a man whose views and speeches differing from me could not possibly affect my high regard for him, my abiding confidence in him. I knew, as I heard that message, that the senior Senator from Georgia was on the platform. I was deeply stirred. I wondered what I would have said in the circumstances. I hoped and I prayed that the senior Senator from Georgia would find the right words; and he found them:

Mr. President, I regret that you have taken this occasion to attack my record and call in question my democracy. I wish you to know that I accept the challenge.

Historic words—immortal words! I am glad I can put them in the RECORD here. He summed up the whole substance of the relation of the State to the Federal power:

I accept the challenge.

It was not a personal challenge, and it was not a personal acceptance. It was an acceptance by the senior Senator from Georgia of the challenge of the Federal power to the dignity and the rights and the power of the State of Georgia. Georgia answered.

When the returns came in that September night—and I did not know what they were, because the radio accounts were not complete—I wondered whether Georgia would respond. I had a dread that she might not respond. I had a

sense of horror. I thought of nothing else. Sleep meant nothing. I wished to know. It was on the following night that I was informed of the fact that Georgia had given assurance to the United States that Georgia was equal to the challenge; that Georgia could attend to her own affairs; that she would choose whom she wished to choose for Senator; and I thanked God for Georgia. My faith in Georgia is not gone. My faith in the American people is not gone. I do not know enough about some of the American States, to be sure, but I am not going to lose my faith in the States. I never have lost that faith in North Carolina.

As I thought of it, I was reminded of an incident in the history of the English in which a certain matter was settled. There had been a time when the King appointed the ministers. There had been a time in the Roman history when the king or the dictator appointed the senators. Slowly, through the ages, the spirit of liberty, working in the form of democracy, had asserted the right of the people to represent themselves by men of their own choosing.

A contest began in England under George III, and the people lost. George insisted upon his right to appoint the ministers and denied the right of the Commons—the House of Representatives of England—to appoint the ministers. Under George IV the issue was made again. The Commons appointed a minister, and the King refused to recognize him. The Commons said, "You must recognize him," and he, considering the fate of Charles I, recognized him. From that day to this, even the ministers in England, the Cabinet officers, have derived their authority by no means from the King, but from the representatives of the people.

Coincident with that, the House of Commons took pains to give King George IV a further notice; that is to say, "From this day forward, so long as you or any of your successors sit upon the throne of England, you shall not interfere in the slightest degree with the election of a member of the House of Commons."

And from that day to this, the kingly head of the British Government has never so much as dared intimate that the humblest little borough in all England should listen to him in such a matter.

Mr. President, that was the fountain of local self-government and the right of representation breaking forth on the other side of the sea in the early days of our Republic, and it was not without its influence here. With that we thought we had set our standards, but today we have to assert and protest, in vain, I think, as the hour of 3 approaches, that the State of North Carolina, or the State of Georgia, or the State of South Carolina, is competent to say what shall be done and what shall not be done by the State and county and city officials, whether political or nonpolitical, whether moral or immoral, or whether of high degree or low degree. That is the issue here.

I think it was necessary for us to embark upon some of these Federal gift and loan activities, but if this is to be the consequence of it, whatever relief it has brought about, whatever apparent good it has done, will be as nothing compared with the destruction of local self-government, and of the dual form of the American structure, and our progress of democracy.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from Nevada.

Mr. McCARRAN. The Senator very correctly recited the history of England, but there was one thing which I think the Senator might have stated as having occurred following the mandate of the Commons; that is, that the King did take notice, and did follow the mandate.

Mr. BAILEY. I thank the Senator. I thought I had stated that from that day to this no King of England, and no Queen, has ever so much as given the suggestion of a nod to the contrary. Those who have read the story of Queen Victoria, who followed George IV, will remember how that young Queen did not like her Ministers. She liked Malborne, but she did not like Disraeli. However, she had to like Disraeli. Then she came to like Disraeli. She did not like Gladstone. She made one of the most scorching remarks about Mr. Gladstone,

a beautiful sort of thing. She said, "Why, Mr. Gladstone addresses me as if I were a public assembly." She did not like him; but she had to like him. She did not like the liberal government, but she had to like the liberal government.

The kingly power was very great, but the power of the people in their right of representation was greater. The divine right of kings is a very great and historical doctrine, but the divine right of the American people to choose representatives of their own selection to govern their ways, in politics and otherwise, is greater than the divine right of kings, and more important to the progress of the world.

The pending bill may to some seem trivial, and there are those who are laboring under the delusion that it relates only to Federal officeholders, and there are others who have been led to believe that it is going to bring about the millennium of "clean politics." Even the newspapers put "clean politics" in half quotes, meaning "so-called," which is the idea of the half quote. While all those things are going on, we are comforted somewhat with the assurance that the bill may yet be defeated in the other body, although I know nothing about it, and I do not intend to say anything about what the House has ever done or may do. This bill is not by any means the end of the matter. If it shall pass, we will have established a policy which the instincts of the American people will in due season repudiate. If we do not pass it, there will be those who will continue to come here with this sort of proposal, and I should not be surprised if before I leave the Senate I do not see an effort to have the States controlled in their schools, their laws against crime, and in all other ways, by the demand that their officers be removed, and if they are not removed, Federal loans and grants will be taken from the States.

Since we have to pay our share of the taxes, that becomes a very drastic threat of fines and penalties. I am looking across the aisle now to a very able lawyer, the senior Senator from Vermont [Mr. AUSTIN], and I refer to the old system of fines and recoveries under the common law. They can fine my State \$3,000,000 in the matter of the highway funds alone; and, what is more, may recover.

I read in the Charlotte Observer this morning about some projects allowed in my State. This is Monday morning, and I suppose these were allowed on Saturday. I will refer to a few of them:

C. C. McGinnis, State W. P. A. administrator, has announced approval of 19 projects, to cost \$638,380.

That may all be very good, but I call attention to how it will operate.

Granville County: To improve Creedmore streets, \$19,846.

That means the end of all activities down there by every officer except the mayor. He may call his soul his own, but no one else can.

Wilkes: Extend water and sewer systems at Wilkesboro, \$5,924.

There will be no more political activity by anyone in Wilkesboro who is administering these funds. And these funds are going to municipalities.

Pitt County: Improve street at Fountain, \$5,982.

For \$5,982 Fountain and all her officers connected with the Government go out of politics.

Edgecombe: Build home-economics cottage for Tarboro High School, \$23,708.

That is a county activity, and I take it that everyone in the county, and in the city of Tarboro—a very ancient city—everyone who has to do with the municipal government will go out of politics. "Home-economics cottage." That takes in the county officers and clerks.

Harnett: Erect building at Ridgeway School near Lillington, \$11,125.

I am not sure but that that takes out of politics the entire school organization of 23,000 teachers of North Carolina, because our school system is a State unit.

Alexander: Erect vocational building at Stony Point High School, \$3,381.

That is Alexander County.

Northampton: Improve streets, \$10,069.

It does not say where the streets are to be improved, but I dare say they will improve streets all around in Northampton. That is a great rural county, from which Gen. Matt Ransom came to the United States Senate. For \$10,069 they get the Northampton officers out.

Lenoir: Improve LaGrange streets, \$19,600.

That takes care of LaGrange.

Now they come to my county of Wake:

Wake, install sewer and water lines, \$22,461.

I take it that ends activities there by the county officers of Wake County; and that is a very big county. It has in it about 110,000 people.

Then we come to the next:

Improve North Carolina State College grounds, \$55,080.

I dare say that takes in the entire State government, because the State College is a State institution, supported by the State. That gets them all.

Then we come to Apex, Mallaby Cross Roads, Fuquay Springs, and Garner, \$81,804. All those are towns in my county.

That is what we are doing. How are we doing it? We are saying, "You do as the Federal Government says in this matter of political activity. We will be the judges, not you. If we catch anybody down there not doing as we say, we will report him, and if you do not turn him off the job, we will take the money away from you."

Mr. President, that tends to destroy the dual form of government in the United States. That is running the whole thing on the basis of Federal loans and grants which were intended to relieve the people of America, and not to control the States and the counties and the cities.

My friend the Senator from Michigan [Mr. BROWN] asks me not to forget to tell whose money it is. I told that the other day, but I will tell it again today. The money is taken from the States by the power of taxation, or is borrowed by the Federal Government on the credit which is derived from the power of the Government to tax the people in the States. We are using the taxing power of the Federal Government to hand out loans or grants throughout the United States, using it not for the purpose of doing the good intended by the appropriations but for the purpose of controlling activities which heretofore have always been in the control of the States, and which to this day I have always thought the States were fully capable of attending to, to their own satisfaction, and much better in the long run than the Federal Government can ever do it.

So, Mr. President, while viewed superficially, this is a simple matter, and it might be considered a trivial matter; viewed by way of its implications, it is a very great matter. That is all I have to say about it.

I am not troubled that the vote is going against us today. I would be very greatly troubled if I were not making my record of opposition here today, and that is all I have to do. I hope I may live long enough to see those who make a different record, in the very best of motives, to be sure, learn by bitter experience to repent establishing a precedent which cannot but redound to the destruction of the States, the localities, and of representative government.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Danaher	Guffey
Ashurst	Byrd	Davis	Gurney
Austin	Byrnes	Donahay	Hale
Bailey	Capper	Downey	Harrison
Bankhead	Caraway	Ellender	Hatch
Barbour	Chandler	Frazier	Hayden
Barkley	Chavez	George	Herring
Bilbo	Clark, Idaho	Gerry	Hill
Bridges	Clark, Mo.	Gibson	Holman
Brown	Connally	Gillette	Holt

Johnson, Calif.	Minton	Russell	Tobey
Johnson, Colo.	Murray	Schwartz	Townsend
La Follette	Neely	Schwellenbach	Tydings
Lee	Norris	Sheppard	Vandenberg
Lodge	Nye	Shipstead	Van Nuys
Lucas	O'Mahoney	Smathers	Wagner
Lundeen	Overton	Smith	Walsh
McCarran	Pepper	Stewart	Wheeler
McKellar	Pittman	Taft	White
McNary	Radcliffe	Thomas, Idaho	
Maloney	Reed	Thomas, Okla.	
Mead	Reynolds	Thomas, Utah	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Indiana [Mr. MINTON]. The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. BURKE]. If at liberty to vote, I should vote "yea," and, if present, the Senator from Nebraska would vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if present he would vote as I shall vote. Therefore I am at liberty to vote. I vote "nay."

Mr. CLARK of Missouri (when Mr. TRUMAN's name was called). My colleague the junior Senator from Missouri [Mr. TRUMAN] is unavoidably detained from the Senate. If present, he would vote "nay" on this question.

The roll call was concluded.

Mr. ELLENDER (after having voted in the negative). I have a pair with the junior Senator from Wisconsin [Mr. WILEY]. I am advised that if present he would vote as I have voted. Therefore I allow my vote to stand.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Utah [Mr. KING] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from Nebraska [Mr. BURKE], the Senator from Rhode Island [Mr. GREEN], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Virginia [Mr. GLASS] is unavoidably detained.

The Senator from Delaware [Mr. HUGHES], the Senator from Illinois [Mr. LUCAS], the Senator from Arkansas [Mr. MILLER], and the Senator from South Carolina [Mr. SMITH] are detained in Government departments.

I am advised that if present and voting the Senator from Virginia [Mr. GLASS] and the Senator from Rhode Island [Mr. GREEN] would vote "nay."

The Senator from South Carolina [Mr. SMITH] is paired with the Senator from Missouri [Mr. TRUMAN]. I am advised that if present and voting the Senator from South Carolina would vote "yea" and the Senator from Missouri would vote "nay."

The result was announced—yeas 24, nays 57, as follows:

YEAS—24

Bailey	Donahay	Lundeen	Schwellenbach
Bankhead	Guffey	McKellar	Smathers
Brown	Hayden	Minton	Stewart
Byrnes	Herring	Murray	Thomas, Okla.
Caraway	Hill	Pepper	Thomas, Utah
Connally	La Follette	Pittman	Wheeler

NAYS—57

Adams	Downey	Lodge	Sheppard
Austin	Ellender	McCarran	Shipstead
Barbour	Frazier	McNary	Taft
Barkley	George	Maloney	Thomas, Idaho
Bilbo	Gerry	Mead	Tobey
Bridges	Gibson	Neely	Townsend
Bulow	Gillette	Norris	Tydings
Byrd	Gurney	Nye	Vandenberg
Capper	Hale	O'Mahoney	Van Nuys
Chandler	Hatch	Overton	Wagner
Chavez	Holman	Radcliffe	Walsh
Clark, Idaho	Holt	Reed	White
Clark, Mo.	Johnson, Calif.	Reynolds	
Danaher	Johnson, Colo.	Russell	
Davis	Lee	Schwartz	

NOT VOTING—15

Andrews	Glass	King	Smith
Ashurst	Green	Lucas	Truman
Bone	Harrison	Miller	Wiley
Burke	Hughes	Slattery	

So Mr. MINTON's amendment was rejected.

Mr. BYRD. Mr. President, I send to the desk an amendment presented by me on March 6 and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or political subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons.

Mr. BYRD. Mr. President, in certain areas of the country, and especially adjacent to Washington, a majority of the residents of certain towns and counties are employees of the Federal Government. My amendment is for the purpose of giving the Civil Service Commission the authority to permit a Federal employee to take part in purely local elections when it is considered in the interest of the public welfare to do so.

If that is not done, Mr. President, those Federal employees will be denied the right even to hold a nonprofit office, such as member of the school board or member of the town council; and, in my judgment, serious injury to the cause of good government will be done unless those Federal employees are permitted, under regulations adopted by the Civil Service Commission, to take part in purely local affairs.

I have discussed this amendment with the Senator from New Mexico [Mr. HATCH], and it is my understanding that he has no objection to it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARKLEY. Without naming the particular locations to which the Senator's amendment would apply, am I to assume that the "special or unusual circumstances" which exist in any municipality would be intended to cover the situations in Maryland and Virginia, for instance, where many Federal employees who work in Washington live, who otherwise might not participate in any way in their local affairs? Is that the intention?

Mr. BYRD. It is. The amendment gives to the Civil Service Commission the same power it now has with respect to civil-service employees, to permit them to participate in local elections.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. O'MAHONEY. I desire to ask the Senator from Virginia if it would not be possible for him so to draft his amendment as to name specifically in the amendment the facts which the Civil Service Commission must find? As the amendment is drafted, it seems to me, it gives the Civil Service Commission almost carte blanche authority to determine for itself what the "special or unusual circumstances" are which should operate to exempt persons from the rule. I understand that the Senator is endeavoring to reach a perfectly obvious situation which arises when civil-service employees of the Federal Government who are working in the Capital at Washington reside in communities in Virginia and Maryland, in which, perhaps, the bulk of the population is likewise so employed; so that not to exempt them might have a very detrimental effect upon the community. The amendment is so drawn that it is not limited by geography, by boundaries of States, or by character of employment. It seems to me that in its present form it would set up a precedent for transferring to the Civil Service Commission complete power to grant exemptions.

Mr. BYRD. Only with respect to local elections.

Mr. O'MAHONEY. Yes; but no rule is set forth in the amendment to control the delegation to the Civil Service Commission of legislative power. No standard is set up.

Mr. BYRD. I will say to the Senator from Wyoming that I would like the amendment to be more specific. I conferred with the Senator from New Mexico. This was the only amendment which I presented to the Senator from New Mexico to which he would agree; and I was so anxious to permit my constituents in Virginia to take part in purely local affairs that I acquiesced in the language of the amendment as it is now written.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield to the Senator from New Mexico.

Mr. HATCH. The Senator from Virginia correctly states the situation. However, I was not opposed to any particular amendment. The matter related to a subject with which I was not familiar. A great many persons from nearby towns came to see me and discussed the situation, and I suggested that they confer with the Senators from Maryland and Virginia, all of whom probably have conferred with various persons on the subject. I think at one time the Senator from Virginia prepared an amendment which actually set forth the towns to be listed in the order of the Civil Service Commission.

Mr. BYRD. No.

Mr. HATCH. Someone did. I saw such an amendment. The Senator from Washington [Mr. SCHWELLENBACH] called attention to a similar condition in one of the towns in his State, which such an amendment would have met. Inasmuch as the amendment which the Senator now offers merely restores to the Civil Service Commission the power it had, and which it exercised before the passage of the act last year, I thought perhaps it was wise to give general authority to meet local or domestic situations. I have no particular opinion on the matter, one way or the other. Any way the Senator from Virginia and the Senator from Wyoming wish to work out the situation is perfectly agreeable to me.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. BARKLEY. What is meant by the phrase "or other political subdivision"? The amendment mentions "any municipality," which is clearly understood. What is meant by the following phrase, "or other political subdivision"? Would it be a county or congressional district?

Mr. BYRD. No. It would be a subdivision of the municipality. It would be a township, or a magisterial district, such as we have in our State.

Mr. BARKLEY. In order to limit the amendment to subdivisions of municipalities the Senator ought to have the word "thereof" after "subdivision," so as to read, "any municipality or political subdivision thereof."

Mr. BYRD. If the Senator will read further, the language is—

It is in the domestic interest of persons to whom the provisions of this act are applicable—

It means in the interest of the people of the particular locality.

Mr. BARKLEY. The trouble is that the language "political subdivision" is not necessarily limited to a municipality. It might be the entire county, because that is a subdivision.

Mr. BYRD. It is intended to apply to the entire county.

Mr. BARKLEY. Would it apply to a judicial district, in which a candidate might be running for the office of district judge or district attorney? Would it apply to a congressional district, which is a political subdivision so far as elections are concerned? All I am trying to do is to clarify the language, so that we may see what we really shall be doing if the amendment shall be agreed to.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BROWN. I desire to make an inquiry. Are the persons in the municipalities to which the Senator refers interested in an election in which the Democratic or the Republican Party is involved; or are the parties purely local?

Mr. BYRD. They are the regular parties.

Mr. BROWN. They are the regular Democratic and Republican Parties?

Mr. BYRD. So far as Virginia is concerned, they are the regular Democratic and Republican Parties.

Mr. BROWN. I myself had an amendment, to which the Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] have substantially agreed, which covered somewhat the same general situation. My amendment provided that nothing in the act shall be construed to prevent any lawful political activity in an election and a preceding campaign, at which there are no candidates on party tickets representing a party which polled votes for President in the previous election. Would such an amendment help the Senator?

Mr. BYRD. It would not help this particular situation.

Mr. BROWN. I thought it might.

Mr. BYRD. In this particular case perhaps the best citizens of the counties are employees of the Federal Government.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. HATCH. I have understood that in one county almost the entire population is employed by the Federal Government.

Mr. BYRD. In Arlington County 80 percent of the citizens are employees of the Federal Government. The other night I talked with a gentleman from Arlington County. He would have to resign his position on the school board, a position he has filled for many years with great satisfaction to the people of the community, and for which he has not received a dollar of compensation.

Mr. President, I hope the amendment will be adopted.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. O'MAHONEY. Would the Senator object to inserting, in line 4, after the word "subdivision", the phrase "in the immediate vicinity of the National Capital, in the States of Virginia and Maryland." Such language would refer specifically to the case which he desires to cover.

Mr. BYRD. Mr. President, I have no objection to that modification, but I do not wish to accept any amendment to the amendment which would endanger its passage because the matter is of very vital importance to my constituents.

Mr. O'MAHONEY. I entirely sympathize with the objective which the Senator from Virginia is trying to attain, but it is clear that the language of the amendment is so broad that it might throw down the bars to almost any kind of exemption, should the Civil Service Commission decide to make it, because there is nothing in the language of the amendment to determine what sort of "special or unusual circumstances" the Civil Service Commission would have to find.

Mr. BYRD. I will say to the Senator that if that amendment is satisfactory to the Senator from New Mexico, it is satisfactory to me.

Mr. HATCH. Mr. President, I have no objection at all to the language proposed by the Senator from Wyoming. The amendment of the Senator from Virginia applies chiefly to the situation around the District of Columbia. There may be other cases, such as the Senator from Washington [Mr. SCHWELLENBACH] says he had, in which the employees were practically all Federal employees because of construction work going on in the State, and they could not have any city government.

I will say to the Senator from Wyoming that the power is exactly the same power which the Civil Service Commission has been exercising. The language of this amendment is taken from the order made by the Civil Service Commission in 1912, when they exempted towns in the immediate vicinity.

Mr. BYRD. Mr. President, I will accept the amendment of the Senator from Wyoming.

The PRESIDING OFFICER. Does the Senator from Virginia modify his amendment?

Mr. BYRD. The Senator from Wyoming, as I understood, offered an amendment to my amendment. I should like to say that I have no objection to that amendment. I shall be glad to accept it.

The PRESIDING OFFICER. The Senator from Virginia modifies his amendment in accordance with the suggestion made by the Senator from Wyoming.

Mr. CLARK of Missouri. Mr. President, I wish to address myself very briefly to this amendment, although I do not intend to talk on the subject of the amendment. I wish to speak in my own right.

The PRESIDING OFFICER. Does the Senator from Virginia yield the floor?

Mr. BYRD. I yield the floor.

Mr. CLARK of Missouri. Mr. President, I desire at this time, very briefly, to call attention to an editorial which appeared on Saturday, March 16, in the Washington Daily News, entitled "Barkley Comes Through." Since the editorial is very brief, I am going to take the liberty of reading it:

BARKLEY COMES THROUGH

Senator BARKLEY, of Kentucky, has taken some heavy ribbing from a few of his Democratic colleagues in the course of the long and often bitter debate on the new Hatch bill.

It has been repeatedly charged, and not without point, that had it not been for the conduct of Senator BARKLEY's campaign for reelection in 1938 there might never have been any such thing as either the Hatch Act of 1939, forbidding Federal employees to take active part in politics, or the pending Hatch bill, which applies the same rules to State employees paid with United States funds.

That may be true. Certainly the Barkley-Chandler campaign of 1938, in which the Federal pay-roll machine in Kentucky locked horns with the State pay-roll machine, was one contest which, above all others, dramatized the great need for putting strings on the public-tax purse. The people of this country are willing to pay taxes, and in emergencies even to borrow against future taxes, to provide relief for the needy, pensions for the aged, work for the jobless, and to carry on other essential services of government. But the people, thus burdened, have every right to demand—and have demanded—that their tax money be spent for the purposes for which it is appropriated, and those purposes only. Hence the growing public insistence on the Hatch safeguards against using public money to perpetuate political power.

But we stray. We are writing now about the Democratic leader of the Senate, Mr. BARKLEY. He has been no special hero of ours. We did not spare him in 1938. Nevertheless, there is no grudging in the tribute we pay him for his performance in 1940. If he is by 2 years a wiser man, that is more than can be said for some of his colleagues who have been ridiculing him through the 2 weeks in which he has patiently and successfully advanced the new Hatch bill to a final Senate vote.

In championing this reform which his own experience has shown to be the right thing to do, which the people have demonstrated they want, and which his own President has approved, Mr. BARKLEY has performed a notable service for the Democratic Party and the country.

The Senate will pass the bill Monday. And in no small way that final vote will be a monument to ALBEN BARKLEY's persistence and parliamentary skill.

Mr. President, I have not always agreed with the majority leader in this body, although I have, for many years, entertained for him a deep affection, and have always held him in the highest respect and esteem; but I desire to join, as many another American must join, in this tribute paid him by the Washington Daily News for the excellent tact, the urbanity, the vigilance, the industry, the courage, the brilliant parliamentary skill, and the fine eloquence which have brought this bill to its present final status.

Mr. HOLT. Mr. President, I do not desire to discuss this amendment, but I do desire to say in a few moments something about the pending bill.

When I originally started to attack politics and corruption in the distribution of Federal and State money it was not popular with many on this side of the aisle. We are making progress, however, and I am glad to say that in this bill we are taking another step forward. We are not taking liberty away from the voters, as some try to say, but it is a step toward protecting the voters in the States from the coercion

by money, not the money of any party but the money of all the taxpayers.

The greatest coercion we have in politics today is the coercion of officials using Federal and State money to suit their own purpose. Some say that if we pass this bill the Federal Government will have its control in every county in the United States. It has today. Let a local subdivision try to challenge one of the bureaucrats in Washington, and just see how long it will be until the project in that local subdivision is shut down. It is not the question of liberty that is involved in the passage of the pending bill.

There are two groups against the Hatch bill: First, the State spoilsmen; second, those who believe in States' rights. The first group are fighting a battle of self-preservation, and I do not say that they have not a right to do so. The second group are wrong in their contention. I think the mistake of those who are fighting for States' rights is in the fact that they tolerated and continued and promoted the action of the Federal Government in dumping money into the States.

Some individuals on the floor of the Senate opposing this bill as an invasion have been 98 percent for the Federal Government going into the States, but they do not want it to bother their 2 percent. They are 100 percent for taking the money, but they say the Federal Government has no right to regulate how the money is used.

It is really ridiculous to hear some who have wanted to regulate the least part of State and local and individual liberty now talking about this bill interfering with the liberty of individuals. Are they interested in the liberty of individuals? Or are they interested in distributing and using the Federal money to oil and control State politics?

I could tell about conditions in my State, and go into the subject at length. My colleague the gentleman from West Virginia [Mr. NEELY] has done so. Copies of much of that evidence I have in my possession, and much more I could add; but I do not intend to take the time of the Senate by so doing, because many other Senators desire to speak in the limited time. I do say that it is high time for the Federal Government to stop the use of Federal money in attempting to control local, State, and Federal elections.

Some of the opposition to this bill is not because of a fear of the bill invading the liberty of individuals. It is because they want to take away the liberty of individuals to vote as they desire. They want the liberty to fire employees who dare to oppose the State machine.

I heard one Senator say, "You are going to stop individuals from going around at night and knocking on the doors and asking persons to help the party." They know the bill is not aimed to stop legitimate political activity. What the proponents of the bill desire to do, in my opinion, is to stop State officials who are paid in whole or in part from Federal funds going around during the day, when they are employed to work, and rounding up votes, and coercing employees to go along with the machine.

Let me read what a Senate committee has said about the use of the Federal authority and the State authority in the corruption of politics. I quote from the volume issued by the Special Committee to Investigate Senatorial Campaign Expenditures and Use of Governmental Funds, with reference to the State of Pennsylvania. That is what it says on page 186:

That W. P. A. workers and employees throughout the State of Pennsylvania have been threatened, intimidated, and coerced to change their voting registrations as the result of undue persuasion and pressure upon them, not only by officials and employees of the State highway department and other lesser political subdivisions of the State, and by political leaders therein, but by officials and supervisory employees of the Works Progress Administration as well.

Further it says, and I quote:

That in numerous instances high officials of the Works Progress Administration and employees of other agencies the expenses of which are, in part at least, paid with Federal funds, the officials and employees of the Pennsylvania State Highway Department, and the officials and employees of lesser political subdivisions of the State, stepped aside from their official duties and devoted their time

to an active furtherance of political matters and interests, without the formality of resigning or taking any proper leave of their official positions and duties.

Let me add that that is the type of liberty the Hatch bill is trying to take away on the part of individuals who are playing politics on Government time, while being paid by the Government taxpayers—the liberty to force workers to vote as the machine says or lose their jobs.

The committee says further:

That workers and employees of the Works Progress Administration, of other Federal agencies, of the State highway department, and of other lesser political subdivisions of the State were imposed upon, intimidated, and coerced in the matter of attending political meetings and functions by and through representations by political leaders.

That is the type of coercion this bill attempts to reach. It is not really a question of liberty; it is a question of going one step farther and trying to protect the ballot box. When the ballot box is controlled by political spoilsmen of the State, it is just as bad as having it controlled by political spoilsmen of the Federal Government. There is no difference at all. I am opposed to both types of control.

It is said that this bill does not go far enough; that it does not touch enough persons. Why not go as far as we can, and then gradually increase the scope of legislation until we give a death blow to political corruption?

As I said originally, I opposed political corruption of the W. P. A. I was for the original Hatch Act. I am for the pending Hatch bill, because I do not believe public money should be used for political purposes. That is what is happening. But the Senator from Tennessee [Mr. McKellar] the other day said this bill could not be enforced because of the cost. Oh, no; the cost of government would not be increased by the passage of the pending bill. It would be lessened, because just as soon as those in charge of some of the rotten, corrupt State machines learn that they cannot use Federal money to control elections, they will not be so much interested in putting people on the State and Federal pay rolls and spending the money extravagantly.

The way to reduce the cost of government is to strike at the individuals who want to use the money of the Federal and State Governments for political purposes. We are now seeing a vast army of State and Federal officials doing nothing except playing politics on the public pay roll. This bill reaches out and stops some of them.

In my State, some individuals work for the State roads commission and are paid partly by the State government and partly by the W. P. A. If they are paid entirely by the W. P. A. they are now covered under Federal law. Under the present circumstances, those who are paid partly by the State and partly by the W. P. A. are exempt. The pending Hatch bill will cover both of them.

The argument of the Senator from Indiana [Mr. Minton] and others is that because some are now exempt, all should be exempt. In other words, his argument is, since those committing a wrong are running loose in the country, we should open the doors and let all the wrongdoers loose.

Mr. President, that is not my idea of good government. I say another wrong will not correct the original wrong.

The time has come when we should keep the ballot box inviolate. When we are talking about war for democracy across the seas, remember that the heart of democracy here is the ballot box, and when that is corrupted through Federal funds, through coercion, or through any of the many things I could mention, there is a blow at the heart of democracy. The purpose of the Hatch Act is not to take away the liberty of individuals, but to protect their liberty.

Mr. President, I have been suffering from a severe sore throat, and I wish I could speak longer, but I cannot. Therefore I ask unanimous consent that there be inserted at this place in the RECORD a statement of my own in furtherance of my position on the Hatch Act.

THE PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When the Hatch bill passes the Senate this afternoon, as I am confident it will, it will add another safeguard to the protection of elections in this country. On February 17, 1936, I spoke on the floor of the United States Senate against the use of the Federal W. P. A. funds for political purposes. Many times thereafter I arose to condemn the use of Federal funds for building political machines.

When there was an amendment submitted to the W. P. A. appropriation bill to prohibit political activity of W. P. A. officials I supported it with my voice and vote.

When the original Hatch bill was presented to the Senate, I publicly praised it as a step toward protecting the Federal workers from pressure of those controlling political machines and from officials who expected to "play politics."

Today we shall see the Senate take another step forward in the path of cleaning up politics.

Tomorrow some of the holes, of which the opponents speak, will be plugged by suitable legislation.

I believe the people in 1938 called for cleaning up the elections. I believe the people wanted no more of the scandal they had seen in the corruption of the ballot box through the use of Federal money as was the case in Pennsylvania and other States.

THE DAY OF THE SPOILSMAN IS GONE

The day of the pernicious spoilsman is gone. He may be in the saddle in some of the States of the Union, but I have confidence in the people that there will be a definite move to clean up those machines that have coerced the employees and degraded the democratic process of the ballot box.

For a long while the Government employees under civil service have been protected in their liberty of casting their votes as their consciences dictated. When that act was passed, no doubt the statement was made that the liberty of those individuals was being impaired.

Since I have been in the Senate I have seen moves to free the W. P. A. workers from the control of the politicians who would deprive them from sharing in relief if they failed to vote right. Next, the Hatch Act lifted the coercion and pressure from Federal officials. Now this bill lifts such pressure from the State officials paid in whole or in part by Federal funds.

WHOSE LIBERTY?

The argument of those opposing this legislation that it takes the liberty from the little fellow is all wrong. It gives him liberty, the liberty to do his work—work he was paid to do and not political work for which he was not employed. It gives him the liberty to vote as a free man.

The only individuals who will lose liberty under this bill are those who feel they have the liberty to force Government workers to get active in politics or lose their jobs. The liberty of those who want the Federal Government to pay for political machinery is curtailed. It should be. The liberty of coercing the little fellows is taken away from those who have and are misusing their official positions. The liberty to blackmail the employees out of part of their meager salaries is taken away. That is the liberty lost, not liberty for the good of the country but liberty of officials to take others' liberties from them.

Why should Federal-State workers be prohibited from pernicious political activities? I have never believed it is the duty of the taxpayers to pay for campaign workers. I feel that Government workers are employed to administer the activities of government as set out in the laws of this country, not to play politics. If the campaign worker is employed for political activity, his job should be eliminated and save the already overburdened taxpayer that much money.

The best type of political work any Government official can do is to do his or her job well. The great majority of the American people are more interested in those working on the Federal-State highways doing their work in building highways than building political fences.

JEFFERSON'S QUALIFICATIONS

The father of our party set forth three qualifications for public officials that we can afford to follow. They are fidelity, capacity, and honesty.

There has always been in my mind the feeling that the American people will reelect that party that serves the best interest of the country. I do not believe it is necessary that a party has to appropriate money out of the Treasury to finance a party machine unless that party has failed to do its duty. The surest way a party can stay in power is to appoint men who have Jefferson's qualifications, fidelity, capacity, and honesty. No party has to purchase its reelection unless it has failed in its duty and its promise. To those who say this bill is a blow at the Democratic Party, I say they are heaping abuse on the record of the party. It is not a blow to the party but its passage will be a great help. The Democratic Party came into power and has stayed in power through the independent votes, those individuals who vote for one party and another depending upon the issues involved. The great independent vote of America does not want corruption or coercion in elections. I do not subscribe to the theory that we must buy our way back. If we must, we do not deserve the support of the people.

Has the Democratic Party reached the stage that its existence depends upon the pernicious political activity of Government employees? I think not. These pernicious spoilsmen have hurt the party in their selfish desire to control their States. Many States went Republican in 1938 because of the resentment of

the people against Democratic spoilsmen in those States. The American people, when they find out the facts, are not going to tolerate corruption of the ballot box. Our party will make its greatest growth when it eliminates those spoilsmen within our ranks whose sole reason for interest in the party is to get something from it.

I have heard it said that these State machines who are using the Federal money for their perpetuation are not compelling workers to do things they would not do voluntarily. Nonsense. Anyone who knows politics knows that pressure has been used. By whom was the amount of 2 percent arrived at? By the little fellow? No. By the official up at the top in whose hands the little fellows' jobs were at stake. Of course, a worker does not have to donate 2 percent. He can quit his job. There isn't a Senator in this body but who knows that these assessments in many States are at the point of the political shotgun. Why is it the little fellow, for whom many words have been spoken, writes and says he cannot sign his name to a letter for fear of losing his job? Why is it the stenographer, many of whom are supporting their elderly parents, gives 2 percent of her salary? Because she knows it is to protect the other 98 percent, or at least protect it unless the machine gets in desperate need of money. The only compulsion used is if the donation is not made, the worker loses her job. She has the right to voluntarily contribute or quit.

May I say here, I do not think this bill is perfect. I, for one, want to see the time come when individuals employed in the Government hold their position as a matter of merit. This, of course, does not go that far, but some day that will happen and we will have a better Government as a result of it.

EXTENSION OF FEDERAL BUREAUCRACY

I have heard it said that this bill is an extension of Federal bureaucracy. Those who make that claim would be in better position to raise that argument had their record shown they opposed the extension of the Federal Government when it was stepping through act after act into the State.

They have supported restriction after restriction on the individual citizen within the States. They have set up bureau after bureau on the State. But now we hear their voices being raised that the Federal Government must stop—not stop sending money to control elections through the State machines but stop trying to control that money from its wrongful use.

Some individuals raising that argument have voted for legislation that controls the farmer's right to plow his own land and plant thereon. They have voted for legislation that controls the smallest business in the smallest towns. They have voted for legislation to have the Government pry and snoop into the everyday activities of citizens.

No voice was raised then. Why? A large officeholding bureaucracy was set up to enforce these regulations and the individuals employed were named as part of political patronage. There was no voice raised by these individuals against that; but when the Senate attempts to pass a bill to regulate the pernicious political activity of the politically appointed regulators, then they yell and scream "Invasion of Federal bureaucracy."

Their viewpoint would have had sounder ground had they raised their objections when the Government set up these alphabetic agencies that have regulated the smallest detail of the life of many. They believed in political regulation by the regulators but no congressional prohibition against stopping the pernicious political activities of those job holders who owe their job to working on Government time for the continuation of the spoils system.

The Senator from Florida [Mr. PEPPER] said: "If the argument made by the proponents of this legislation prevail, and we pass it, we had just as well get ready to see the greatest curtailment of Federal expenditures and the greatest curtailment and restriction of Federal extension that we have seen in a long time in this country."

How true! How wonderful!

We will see the desire to spend money greatly curtailed when State machines know they have to spend that money for the purpose for which it was appropriated and not for politics. Some of us have been wanting to see a restriction of Federal spending. The Senator from Florida, an opponent to this bill, has pointed a way. It will be a step to stop Federal bureaucracy, not a step to promote it.

STATES' RIGHTS

Some say this bill invades States' rights. Some of the finest men in the Senate believe that. Some of the most intellectual of our body say that, but I believe they are wrong. I believe this bill protects States' rights. It protects the State against Federal slush funds. Its purpose is to preserve freedom in elections. That is toward States' rights, not away from it. When the Federal group makes a political alliance with a State machine to control elections it is a blow against the rights of the people of that State. Such a combination forces the citizens into an unfair election with the cards stacked against them—the people from whom this Government must get its rights.

This bill says that the money we appropriate to build roads shall be used to build roads in the States, not to be used to control election machinery of that State by putting on employees whose divided duties are part-time work and part-time politics. It says: You who are paid by the Federal Government shall have the right to vote as you please. You shall have the right to select those you believe to be the best public servants, and that you

may select them without fear of losing your job, and if you do not do the bidding of the political boss. The one purpose, as I see it, of this legislation is to preserve the freedom of elections, and I hold that is no violation of the rights of any State.

FREE GOVERNMENT

We must protect the heart of democracy—elections. Without free elections we cannot have a free government. Without free government there are no rights. The Federal Government is spending millions and millions of dollars on projects for which the State government names the employees. We are determined that money shall be used for the purpose for which it is appropriated, not as a slush fund to coerce and compel the citizens of the States to accept the control of the State boss and his machine.

The Hatch Act is a protection to the liberties of the employees and not a restriction against their liberties.

The Hatch Act is a move to stop the State political machines from using Federal money to buy elections and coerce employees.

The Hatch Act is a move toward a more efficient Government service—giving the employees a chance to devote their time and their effort to the job they are employed to do and not force them to divide their time and their effort between their jobs and their political activity.

The Hatch Act is a move to protect the heart of democracy—the freedom of elections. It is a step toward better government. It is not a cure-all, but it is the proper medicine to help the patient improve from a terrible case of political spoils.

Ten years ago this January, in my first public office, that of a member of the West Virginia House of Delegates, I raised my voice against extending and promoting the spoils system. I opposed requiring the taxpayers to pay for political workers. If we have the spoils system, let us not make it worse by coercion. I believe in the statement of a great Democrat, "He who serves his people best serves his party best." I do not believe the Public Treasury is a party Treasury. It belongs to all of the people, and when it is used for political purposes it is in violation of a sacred trust. Corruption never built a party. We must demand fidelity, capacity, and honesty.

Mr. DAVIS. Mr. President, I desire to make a few brief remarks on the pending measure.

I voted for the original Hatch Act, and I expect to vote for the pending Hatch amendment. During the 4-year period 1934–38 of the Democratic administration in Pennsylvania political macing and forced changes of registration were so common as to constitute a national disgrace. Pennsylvania has been charged with all sorts of political corruption, but never was it proven so convincingly as in the report of the Sheppard Senate Campaign Expenditures Committee following the election of 1938.

The most extreme abuses were found in connection with the administration of W. P. A. During these many years I have voted consistently for the W. P. A. appropriations, knowing that these funds when used for relief would be used by the then existing administration to build a political machine which would attempt to oppose me. I did not allow thought of my own political future to deter me from voting to meet human needs. However, I never lost an opportunity to protest the partisan administration of W. P. A.

The forced collections from W. P. A. personnel through the sale of picnic tickets and work-relief cards in Pennsylvania has been branded indelibly on the minds of our citizens. This was a decisive factor in the defeat of the Democratic ticket in our State in 1938. These abuses were so widespread, and the knowledge of them so common, that there came to be a general revulsion of public opinion against them. It was not necessary to attempt to produce extensive arguments to prove that these unsavory conditions existed. Charges of political corruption were made in the campaign of 1938, and the conditions were so terrible that no attempt was made to answer the charges. Indeed, Mr. President, they could not be answered. It was shown beyond the shadow of a doubt that the most extreme partisanship had prevailed among federally appointed officials operating the W. P. A. and other Government agencies in our State. The result of the election of that year should stand forever in the annals of our State as a lasting signpost warning against the waste of public-welfare funds for selfish partisan purposes.

In view of these conditions, which I am glad to say have since improved, and yet which will require eternal vigilance, I believe the enactment of the pending amendment is required. It should not be viewed as a partisan measure but as a genuine safeguard of public morality.

I shall vote for the pending bill.

Mr. SCHWELLENBACH. Mr. President, I have an amendment to suggest to the amendment of the Senator from Virginia, as modified by the amendment of the Senator from Wyoming. I have been unable to find the Senator from Wyoming in the last few minutes—he has left the floor of the Senate—and I am wondering whether I might offer my amendment and, if it is acceptable to the Senator from Virginia and the Senator from New Mexico, have it accepted, with the understanding that if it meets with opposition on the part of the Senator from Wyoming, I will have no objection to its being reconsidered between now and 3 o'clock.

The amendment which I propose is to insert after the words inserted by the Senator from Wyoming, the following language:

In municipalities the majority of whose voters are employed by the Government of the United States.

In proposing this amendment I have in mind only one situation. In the State of Washington is the city of Bremerton, at which place is located the Puget Sound Navy Yard. The Puget Sound Navy Yard is the industry of the city of Bremerton. A majority of the citizens of Bremerton are either employed by or are members of the family of someone employed by the Government at the navy yard.

For many years there has been an understanding, no official understanding, but one that has been carried out, that the navy-yard employees should be entitled to a certain number of places on the school board. The school board is a non-political organization, membership on it does not carry any salary, and the work of the members is done in a way similar to that in which such work is done by citizens in other communities.

The citizens of Bremerton have been very much disturbed, since the enactment of the present Hatch law, for fear the employees of the navy yard would be deprived of their representation on the school board because of that law. I offer this amendment merely to meet that situation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. BARKLEY. Would that situation probably not also be found to exist at the town of Norris, in Tennessee, where a majority of the voters of the town are employed by the Tennessee Valley Authority? Would it apply to that locality?

Mr. SCHWELLENBACH. I should think it would.

Mr. BYRD. Mr. President, in my opinion the proposal of the Senator from Washington is eminently fair, and I accept it as a modification of my original amendment.

The PRESIDING OFFICER. The Senator from Virginia modifies his amendment again. The question is on the amendment of the Senator from Virginia as modified.

Mr. AUSTIN. Mr. President, may we have the amendment restated now?

The PRESIDING OFFICER. The amendment as modified will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place the following:

Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision, the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or political subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons.

Mr. SCHWELLENBACH. Mr. President, I notice that the Senator from Wyoming is now in the Chamber, and I should like to inquire of him whether or not the amendment which I have proposed is satisfactory to him.

Mr. O'MAHONEY. Mr. President, my comments this morning were prompted solely by the feeling that the original language which was presented was too broad, and would con-

vey to the Civil Service Commission certain powers without any rule or standard to control the discretion of the Civil Service Commission in deciding when to grant an exemption. For example, the amendment provided that "Whenever the Civil Service Commission determines that by reason of special or unusual circumstances," and so forth, without any hint as to what the Commission should hold to be a special or unusual circumstance. After having addressed one or two questions to the Senator from Virginia I elicited the information that his purpose was to grant exemptions to employees in communities close to the Capital, in which it would be practically impossible to carry on local municipal government if an exemption were not granted, because so many of the voters are employed by the Federal Government.

Mr. McKELLAR. Mr. President, at the little town of Norris, in east Tennessee, where the Norris Dam has been established, on the Clinch River, a majority of the inhabitants of the town are working for the Government, directly or indirectly. I dare say a majority of the voters are working for the Government, and they certainly should be exempted.

Mr. O'MAHONEY. The Senator is quite correct in that observation, and I take it that the language now offered by the Senator from Washington will cover the situation wherever it exists.

Mr. McKELLAR. I think it will, and I hope the Senate will agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia, as modified.

The amendment, as modified, was agreed to.

Mr. BYRD. Mr. President, I will ask the clerk to report the second amendment I have offered.

The PRESIDING OFFICER. The clerk will state the further amendment proposed by the Senator from Virginia.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place the following new section:

SEC. —. No person, firm, or corporation entering into any contract with the United States or any department or agency thereof, or performing any work or services for the United States or any department or agency thereof, or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such work, services, material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, shall, during the period of negotiation for, or performance or furnishing of, such contract, work, services, material, supplies, equipment, land, or buildings, directly or indirectly, make any contribution of money or any other thing of value, or promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; nor shall any person knowingly solicit any such contribution from any such person, firm, or corporation for any such purpose during any such period. Any person who violates the provisions of this section shall upon conviction thereof be fined not more than \$5,000 or imprisoned not more than 5 years.

Mr. BYRD. Mr. President, 5 years ago the distinguished Senator from New Mexico [Mr. HATCH] prepared a bill designed to prohibit contributions for political purposes from those who make money out of governmental contracts. He came to the Senator from Virginia and did me the great honor and courtesy of requesting that I become a patron with him of the legislation. The language just read by the clerk is identical with the bill that was prepared by the Senator from New Mexico 5 years ago and introduced jointly by the Senator from New Mexico and the Senator from Virginia.

This bill was referred to the Committee on Appropriations, and, notwithstanding diligent efforts on the part of the Senator from New Mexico and the Senator from Virginia we were unable to secure a favorable report on the bill, and it therefore did not come to the floor of the Senate.

Mr. President, I wish to say to the distinguished Senator from New Mexico that I pay tribute to the fine sincerity with which he has, from almost the very first day when he came to the Congress of the United States, worked for pure and honest elections. I heartily and sincerely commend him, for his effort. I am not in accord with all the measures he

proposes in his attempt to accomplish laudable objects, but I am in accord with much of what he has proposed.

I wish to say to the Senator from New Mexico that the amendment I have just offered is not in any way an amendment hostile to his bill. It is in complete harmony with the proposed legislation that we should prohibit those who have governmental contracts, contractors who deal with the Government, contractors who make great sums out of governmental contracts, from making contributions to political parties for any purpose whatsoever.

Mr. President, we propose under this legislation to prevent Tom Jones, who works on the road for \$3 a day, from taking any part whatsoever in political campaigns, even to the extent of providing as I read the terms of the bill, that he cannot in the privacy of his family say for whom he is going to vote, because that would be regarded as affecting an election.

Mr. President, it seems to me that if we propose to do that we ought to take the further step and prevent those who are making money out of governmental contracts from making contributions to any political party; to prevent them from making contributions which may be considered in some instances as bribery in order to secure governmental contracts for themselves.

Senators, we talk about controlling the subordinates of the State governments and the Federal Government. The greatest source of corruption in American politics today is the use of money obtained from those who make profit out of contracts with the Government.

I shall not take up the time of the Senate, because I know we are approaching a vote on the proposed legislation, but I want to appeal to the Senator from New Mexico. I know his great power in connection with the legislation. I know—and I have seen it happen here for a week—that every amendment which has been offered has been voted down if he disapproved it. I ask him not to kill his own child. It is true that this baby has been sleeping peacefully for 5 years, but he can breathe the breath of life into that child which was born 5 years ago by making this amendment a part of the bill.

Mr. President, the amendment is offered with no hostile purpose in mind whatsoever. It is offered in entire sympathy with the philosophy of the bill. I hope the amendment, which is identical in language with the measure which the Senator from New Mexico and the Senator from Virginia offered 5 years ago, will be made a part of the bill.

Mr. HATCH obtained the floor.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. ADAMS. I should like to have an amendment read so it would not be caught under the limitation of 20 minutes before 3 o'clock.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Nothing in this act shall prohibit any official or employee subject to its provisions from becoming a candidate or accepting a nomination for an appointive or elective office or position, provided such official or employee shall not use his official authority or influence to secure such nomination or appointment, and further provided that such official or employee shall resign from his office or employment upon receipt of such nomination or appointment.

Mr. PITTMAN. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. PITTMAN. I should like to have a very short amendment read at the desk also.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. It is proposed to insert at the proper place in the bill the following new section:

SEC. —. Section 9 (a) of said act of August 2, 1939, is further amended by inserting after the words "political subjects", in the ninth line of said subdivision (a), the following: "and candidates."

Mr. HATCH. Mr. President, I could not help but feel gratification and take some pleasure at the remarks of the

Senator from Virginia [Mr. BYRD]. He stated quite correctly that the bill was introduced in April 1935 by me and the Senator from Virginia. The bill then offered and the amendment he offered today strike at one of the most corrupting influences in politics, and certainly I am not going to stand on the floor of the Senate today and ask the Senate not to adopt this amendment, in which I believe so firmly. On the contrary, Mr. President, I think the adoption of this amendment will vastly improve the pending measure. The entire subject would have been included by me originally if the original bill had not been confined to one subject, but we have included other matters in the bill now, and I see no reason why this amendment should not be adopted.

There is one thing in connection with it, however, which I think should be corrected. I see in the first line—and probably this was my error in the first instance—that the prohibition runs against a corporation making a campaign contribution. As I understand, the present Corrupt Practices Act precludes and prohibits any campaign contribution by a corporation. This might be construed as lessening or loosening in some degree the present Corrupt Practices Act, and rather than do that I will ask the Senator from Virginia if he will not agree that we may strike out the words "or corporation" where they appear in the amendment; and after the word "firm", strike out the words "or corporation" where they appear in the amendment. And also that there be inserted between "person" and "firm" the word "or", so as to read "no person or firm."

Mr. BYRD. I agree to the modification proposed by the Senator from New Mexico to the bill which he prepared 5 years ago.

The PRESIDING OFFICER. The Senator from Virginia has modified his amendment, which he has a right to do.

Mr. BYRD. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from Virginia, as modified.

The amendment as modified was agreed to.

Mr. PITTMAN. Mr. President, I have offered a very simple amendment. In section 9 of the Hatch Act we find this language:

All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects.

I think the Senator from New Mexico was interrogated as to whether the word "subjects" included "candidates." I was under the impression that he thought it did. At any rate, I wish to add to that language the words "and candidates" so it will be certain.

In this particular case it is provided that the rules of the Civil Service Commission shall govern. Those rules expressly provide that civil-service employees are not permitted to speak in campaigns, if I recollect aright, and that they must not write or publish articles dealing with political campaigns. In other words, they are very stringently limited as to how they may express themselves with regard to political subjects.

I wish to add to the word "subjects" the words "and candidates." Under the restrictions of the Civil Service Commission I think no one should be denied the privilege of expressing opposition to a candidate or favor for a candidate. I think it touches very closely the arguments which have been made about school teachers having the right to approve or oppose the election of a superintendent of schools or director of public instruction.

Under the act as it now exists we have every protection against coercion. In section 2 officers are prohibited from using their official authority in any way to influence an election.

In section 3 we find that they are prohibited from using their power of employment to bribe people to vote either for subjects or for candidates.

In section 4 we find that they are prohibited from making any kind of threat whatever or exercising any form of coercion against an employee to induce him to vote for or against a certain subject or for or against a certain candidate.

In section 5 we find that officers having charge of employment are prohibited from soliciting or receiving any contributions.

Mr. President, it seems to me that by those sections of the law coercion or even inducement of those employed is prevented. We come, then, to the question of what liberties the employees shall have. The employees under the civil service are very much restricted in their liberties with regard to elections. They are allowed to express themselves on subjects. They should be allowed to express themselves on candidates. Under the restrictions which exist in the civil-service rules, namely, that they cannot make public speeches, that they cannot take part in management, that they cannot write or publish articles, they are limited solely to the right of expressing themselves for or against the candidate.

If we do not place the language of my amendment in the bill, every employee coming under this measure will be constantly in danger of losing his position, or at least being prosecuted, by reason of the fact that inadvertently he may sometime say to his wife, or to his son, or to a brother-in-law, "Well, I think JOHN GARNER should be the nominee of the Democratic Party."

I therefore insist that the amendment is a reasonable one.

Mr. HATCH. Mr. President, is the Senator proposing an amendment to the act we passed last year?

Mr. PITTMAN. It is an amendment to the general act.

Mr. HATCH. I hope the amendment may be defeated. The question which the Senator has raised has been discussed quite frequently on the floor, and I am quite sure that the act as it now is permits the doing of the things that the Senator is arguing for. But I do not want to loosen that act, and further extend its provisions.

Under the amendments which were made to the act permitting expression of opinion on all subjects, and eliminating the word "privately," I think the field was fully covered, and every needful protection given.

Mr. PITTMAN. Mr. President, if the Senator is right in that matter, if this amendment means exactly what the Senator means, why take a chance on the Civil Service Commission? There is one thing we seem to agree is included, and knowing that that is included in the word "subject," why not say so?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada. (Putting the question.) The ayes appear to have it.

Mr. CLARK of Missouri. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division is called for.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BROWN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROWN. It is very obvious that the calling of the roll will take up the entire time between now and 3 o'clock. In that case those of us who have amendments—and I have one on the desk which is agreeable to the Senator from New Mexico—cannot have the amendments considered, as there will not be time to have them read or discussed.

The PRESIDING OFFICER. The hour has passed when new amendments may be offered.

Mr. BROWN. But the amendment I refer to is on the desk.

The PRESIDING OFFICER. Amendments on the desk may be called up for action.

Mr. BROWN. Do I understand that by this maneuver no more explanations may be made from now on as to the purpose of the amendments?

Mr. BARKLEY. Mr. President, I should like to say to the Senator that I do not think his use of the word "maneuver" is a happy one. We have the same right to have a roll call with respect to the pending amendment as to others.

The PRESIDING OFFICER. The Chair wishes to advise the Senator from Michigan that although the yeas and nays have been ordered, if the Senator from Michigan desires to

make an explanation of his amendment at this time he may do so.

Mr. BROWN. Mr. President, I ask particularly the attention of the Senator from New Mexico. My proposed amendment states that no employee of a State government, or of a municipal government, or of any agency thereof, is barred from being a candidate if he takes a leave of absence during the time.

Mr. HATCH. That amendment relates only to State officials?

Mr. BROWN. Yes.

Mr. HATCH. Did the Senator submit it to the Senator from Georgia?

Mr. BROWN. Yes.

Mr. HATCH. I have no objection to it.

Mr. CLARK of Missouri. So far as the remarks of the Senator from Michigan referring to the demand for the yeas and nays as a "maneuver" are concerned, the Senator from Missouri would like to say that if that is a maneuver, a similar maneuver took place in the Constitutional Convention, because that was where the right of having the yeas and nays was guaranteed.

Mr. BROWN. Mr. President, I withdraw the word "maneuver." I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROWN. The Bankhead amendment as it passed the Senate, as I understood—

Mr. McNARY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. The Senate is not in order.

The PRESIDING OFFICER. The Senator from Oregon raises a point of order that the Senate is not in order. The Senator is perfectly correct. There is so much confusion on the floor of the Senate that it is almost impossible for those at the desk to hear what is going on. The Senate will be in order, and the Chair asks the occupants of the gallery to be as quiet as possible.

Mr. BROWN. Mr. President, the parliamentary inquiry I desire to make is this: On page 2852 of the CONGRESSIONAL RECORD of March 14 the Bankhead amendment limiting campaign contributions to \$5,000 contains, in its subsection (d), the following language:

Any amount expended, contributed, furnished, or advanced by one person, directly or indirectly, in excess of \$5,000 is hereby declared to be excessive financial aid.

According to the RECORD, it appears that the Senate adopted the amendment in that manner. I understand from the Senator from Alabama [Mr. BANKHEAD] that his amendment as submitted did not contain the words "or corporation" in subsection (d). I now ask the Senator if I am correct in that statement?

Mr. CLARK of Missouri. Mr. President, I make the point of order that that is not a parliamentary inquiry.

Mr. BANKHEAD. If necessary, I rise to a question of personal privilege, because there has been criticism of my draftsmanship.

The PRESIDING OFFICER. Will the Senator from Alabama withhold his question of personal privilege until the Chair has had an opportunity to answer the parliamentary inquiry?

Mr. BANKHEAD. Some objection was made to the Senator from Michigan [Mr. Brown] proceeding on this subject, and I wanted to aid—

Mr. BROWN. Mr. President, I think I can satisfy the Chair that this is a parliamentary inquiry. I ask what the language was which was actually agreed to. What was the language of the Bankhead amendment which was submitted? Did it contain the words "or corporation" or not?

The PRESIDING OFFICER. The Chair is advised that the official record does not contain the words on which the question has been raised.

Mr. BROWN. I ask unanimous consent that the RECORD be corrected to show that the amendment as adopted did not contain the words "or corporation."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Alabama [Mr. BANKHEAD] is recognized on the question of personal privilege.

Mr. BANKHEAD. Mr. President, my only purpose in rising to a question of personal privilege is to answer the statement of Mr. Weir, the Republican money collector, that this amendment had been carelessly drafted. I do not intend to engage in any cross criticism, but Mr. Weir was merely misinformed. I corrected the original amendment, as it appears on page 2720 of the RECORD, and presented an amendment omitting all reference to corporations and their officers, and stated that it was done to avoid any controversy about its effect on the Corrupt Practices Act. That was well understood in the Senate.

I first offered an amendment containing the figure \$1,000. That appears in the RECORD on page 2790. The amendment did not contain the word "corporation." The next morning I offered a similar amendment, with the statement, which appears in the RECORD, that the only change in the amendment then offered was to change the figure "\$1,000" to "\$5,000." So it is perfectly clear all the way through the RECORD that the word "corporation" was omitted; and I am advised that the official Journal of the Senate for that day so states. I therefore ask unanimous consent, merely to clarify the situation and to avoid confusion, to have reprinted following my remarks a copy of the Journal entry as to the contents of the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the Journal entry will be printed at this point.

The Journal entry is as follows:

On motion by Mr. BANKHEAD to further amend the part proposed to be inserted by the reported amendment, as amended, by inserting on page 7, after line 18, the following:

"Sec. — (a) Excessive financial aid to any candidate for an elective Federal office is a pernicious political activity and is hereby declared to be illegal.

"(b) Excessive financial aid to any political committee or political organization engaged in furthering, advancing, or advocating the election of any candidate or political party nominees for a Federal office, or any committee engaged in furthering, advancing, or advocating the success of any national political party is a pernicious political activity and is hereby declared to be illegal.

"(c) Presidential electors and the President of the United States for the purpose of this act are declared to be elective officers.

"(d) Any amount expended, contributed, furnished, or advanced by one person, directly or indirectly, in violation of this section in excess of \$5,000 is hereby declared to be excessive financial aid.

"(e) Any person who directly or indirectly contributes more than \$5,000 during any calendar year or for use in any one campaign or election, in violation of the provisions of this section, is guilty of pernicious political activity, and on conviction, shall be fined not less than \$5,000 and also sentenced to the penitentiary for not exceeding 5 years."

It was determined in the affirmative, yeas, 40; nays, 38.

Mr. MINTON. Mr. President, I have had upon the desk for several days an amendment with which Senators are familiar. I wish to take a moment to explain it, because it is due to come to a vote.

Section 2 of the Hatch Act provides that any one in politics who uses his official authority to influence an election commits a crime. For this crime he may be punished by a fine of \$1,000, or imprisonment in jail for 1 year, or both. If anyone uses his official authority to influence an election he commits a crime. That is a provision of section 2. I simply wish to include in that category not only politicians, but also employers of labor and lenders of money at interest.

We have said in the first section of the Hatch Act that no one shall coerce or threaten anyone else in the exercise of his franchise. Coming down to the next section, which deals with the use of official authority, making it a crime to use official authority to influence an election, I wish to provide that such conduct shall be a crime not only for politicians, who hold political jobs, but also for those who employ labor and those who lend money at interest. I am in favor of the section as far as it goes. However, I wish to include in the same category those who employ labor and those who lend money at interest in order than they may not use their

positions as employers of labor and lenders of money to oppress anyone in an election.

Senators know that no one is so oppressive in politics as a banker. If a banker holds a mortgage against the home of a person, he can threaten him with foreclosure of the mortgage on his home. He has a strangle hold. Some of the most pernicious politicians I have known in my life have been bankers. We have some of them in southern Indiana who play the highest-handed kind of politics, and I want to reach them under this act. I want to provide that they may not use their banks in order to carry out their purpose in politics.

The other day while I had the floor I mentioned this amendment, and a county chairman from my State happened to be in the gallery. I saw him afterward, and he said, "Of course, bankers are the worst politicians we have to deal with." He told me about an election for superintendent of schools in his county. The township trustees elect the superintendent of schools. There were the same number of Democrats as Republicans on the board. There was a tie vote, but the banker of the town was a Republican, and he wanted a Republican superintendent of schools, so he called in one of the Democrats who expected to vote for a Democratic superintendent of schools and said, "We have a mortgage on your place, and if you do not vote for the Republican candidate for superintendent of schools we will foreclose the mortgage." Of course, what the Democrat did was to vote for the Republican candidate for superintendent of schools. That sort of thing happens. Senators know that it happens.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. CONNALLY. Did the Republican keep his promise not to foreclose the mortgage?

Mr. MINTON. Oh, yes. He kept his promise, because the township trustee had delivered his vote for the Republican candidate for superintendent of schools.

Everybody knows that the bankers use their power over the people to whom they have loaned money to oppress them in the matter of their votes. All I want to do is to put the bankers of Indiana and other States in the same category with the rest of us. We may not use our official authority to influence an election. I want to say to the bankers that they may not, the day before election, bring in the people on whose property they hold mortgages and say, "If you do not vote the way we want you to vote tomorrow, we will foreclose the mortgage on your homes." I want to say to those who employ labor that they may not herd the laborers in the day before election and say to them, "You vote the way we want you to vote, or we will close the factory."

Why should not bankers and employers of labor be in the same category as politicians? They are in the same category in the first section, as to intimidation and coercion. I want to put them under the provisions of section 2, which says that official authority may not be used to influence or control an election. I want to say that the man who lends money at interest and the man who employs labor shall not use their money or positions to influence or control elections. This section applies only to Federal elections, with respect to which we have ample authority.

That is all my amendment does. It is in perfect harmony with the objective of the bill, which seeks to protect the people in the exercise of their franchise, and to protect the freedom of elections. I hope that when the time comes it will be agreed to. There can be no question about the amendment being in thorough harmony with all the purposes of the bill. It is merely a broadening of the base of section 2 to include employers of labor and lenders of money, so that they may not use their positions as employers of labor and lenders of money to drag in some poor unfortunate fellow and tell him how he shall vote on election day. That is all the amendment does.

Mr. ADAMS. Mr. President, it seems to be in order to explain amendments. I had an amendment read from the desk. The reason for its submission was that on yesterday the Senate adopted as part of the law the regulations of the

Civil Service Commission and the interpretations which it had put upon the words "political activity" and "participation in campaigns." Subsection 30 of those regulations absolutely forbids candidacy for a nomination or election by anyone governed by the act. That is, the Federal inspector of meats in a packing plant, who might have an opportunity to run for county clerk or for sheriff, is absolutely barred. It seemed to me that the regulation which the Civil Service Commission adopted was perfectly proper as related to persons who have permanent positions, that is, those in continuing positions in the civil service. It is perfectly proper to stop them from being candidates while under permanent tenure. However, the man who holds a petty Federal place, subject to termination with a change of administration, or subject to discharge at the will of his employer without cause or without reason, is entitled to an opportunity, if he wishes, to have his name submitted as a candidate for promotion or appointment, provided he does not violate any of the fundamentals. That is all I seek to do by the amendment.

Mr. HATCH. Mr. President, the time will shortly arrive when further discussion of the various amendments which are to be voted on will not be permitted, a matter which I regret, in a way. I think amendments ought to be fully discussed if they are to be voted on.

I wish to say to the Senator from Indiana that I think the very thing he talked about is already prohibited in section 1. It was my design in drafting that section last year to do the very thing he is talking about. The Senator from Indiana was the first Member of the United States Senate to grasp the significance of section 1 in that connection.

Mr. BANKHEAD. Is the Senator referring to the original act?

Mr. HATCH. I am referring to the original act which prohibits intimidation or coercion by any person against any other person at any election in which a Federal official is to be chosen. That includes the banker, the employer of labor, and everyone else.

As a matter of draftsmanship, section 2, to which the amendment is directed, refers to the use of official authority by officials. The banker or money lender, or the employer of labor, has no official authority that could be used. The amendment is simply out of place. The matter sought to be covered by the amendment is covered by section 1, and I am glad it is so covered.

As to the other amendments which are to be voted on, I told the Senator from Michigan [Mr. BROWN] that I would not object to his amendment, with respect to which he had conferred with the Senator from Georgia [Mr. GEORGE]. However, in view of the fact that we are not permitted to discuss other amendments, I hope other amendments will be defeated, and that we may proceed to vote on the bill.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. PITTMAN], which will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill it is proposed to add a new section 22, as follows:

Sec. 22. Section 9 (a) of said act of August 2, 1939, is further amended by inserting, after the words "political subjects", in the ninth line of said subdivision (a), the following: "and candidates."

So that the sentence shall read as follows:

All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates.

The PRESIDING OFFICER. On this question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). On this question I have a pair with the Senator from Nebraska [Mr. BURKE], and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. ELLENDER. I have a general pair with the junior Senator from Wisconsin [Mr. WILEY], and withhold my vote. If the Senator from Wisconsin were present, he would vote "nay" on this question, and if I were at liberty to vote, I should vote "yea."

Mr. SHIPSTEAD. I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that, if present, he would vote "yea" on this question. If I were at liberty to vote, I should vote "nay." I withhold my vote.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Utah [Mr. KING] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr. TRUMAN], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Virginia [Mr. GLASS] is unavoidably detained.

The result was announced—yeas 44, nays 41, as follows:

YEAS—44

Adams	Clark, Idaho	Lee	Pepper
Ashurst	Connally	Lucas	Pittman
Bailey	Donahay	Lundeen	Russell
Bankhead	Frazier	McCarran	Schwartz
Bilbo	Guffey	McKellar	Schwellenbach
Brown	Hayden	Maloney	Smathers
Bulow	Herring	Miller	Smith
Byrd	Hill	Minton	Stewart
Byrnes	Hughes	Murray	Thomas, Okla.
Caraway	Johnson, Colo.	O'Mahoney	Tydings
Chavez	La Follette	Overton	Wheeler

NAYS—41

Austin	Gerry	McNary	Thomas, Utah
Barbour	Gibson	Mead	Tobey
Barkley	Gillette	Neely	Townsend
Bridges	Green	Norris	Vandenberg
Capper	Gurney	Nye	Van Nuys
Chandler	Hale	Radcliffe	Wagner
Clark, Mo.	Hatch	Reed	Walsh
Danaher	Holman	Reynolds	White
Davis	Holt	Sheppard	
Downey	Johnson, Calif.	Taft	
George	Lodge	Thomas, Idaho	

NOT VOTING—11

Andrews	Ellender	King	Truman
Bone	Glass	Shipstead	Wiley
Burke	Harrison	Slattery	

So Mr. PITTMAN's amendment was agreed to.

The PRESIDENT pro tempore. The offering of amendments which were read prior to 2:40 p. m. is now in order.

Mr. BROWN. Mr. President, I offer an amendment to which the Senator from New Mexico and the Senator from Georgia have indicated that they have no objection.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following as a new section:

Sec. 19. Nothing in this act or in said act of August 2, 1939, shall be construed to prevent any person employed by the State government, the municipal government, or any agency thereof from becoming a bona fide candidate for any public office and engaging in any lawful political activity in furtherance of his candidacy in the event he takes a leave of absence without pay from his employment during the campaign.

Nothing in this act or in said act of August 2, 1939, shall be construed to prevent—

Any lawful political activity in an election and the preceding campaign at which there are no candidates on party tickets representing a party which polled votes for President in the last preceding national election; nor lawful political activity in an election and the preceding campaign respecting any issue not particularly identified with any national or State political party, such as revision of the Constitution of the United States or of a State; referendums, approval or disapproval, of city or municipal statutes or ordinances, and other issues of similar character.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. BROWN]. [Putting the question.] By the sound, the "noes" appear to have it.

Mr. BROWN and Mr. MINTON called for a division.

On a division, there were ayes 50, noes 9.

So Mr. BROWN's amendment was agreed to.

Mr. ADAMS. Mr. President, I call up the amendment which I have on the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert:

SEC. 21. Nothing in this act shall prohibit any official or employee subject to its provisions from becoming a candidate or accepting a nomination for an appointive or elective office or position, provided such official or employee shall not use his official authority or influence to secure such nomination or appointment: *And provided further*, That such official or employee shall resign from his office or employment upon receipt of such nomination or appointment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado. [Putting the question.] By the sound, the "ayes" appear to have it.

Mr. CLARK of Missouri. I call for a division.

On a division, the ayes were 41, noes 39.

So the amendment of Mr. ADAMS was agreed to.

Mr. MINTON. Mr. President, I call up the amendment which I discussed a few moments ago.

The PRESIDENT pro tempore. The amendment offered by the Senator from Indiana will be stated.

The CHIEF CLERK. On page 2, line 16, after the comma, it is proposed to insert:

Any person who employs labor or lends money at interest.

Following the word "authority", in line 16, it is proposed to insert:

Or his position as employer of labor or lender of money.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana. [Putting the question.] In the opinion of the Chair, the "ayes" have it.

Mr. CLARK of Missouri. I call for a division.

The PRESIDENT pro tempore. A division is called for. The Senate proceeded to divide.

Mr. CLARK of Missouri. I call for the yeas and nays.

The PRESIDENT pro tempore. The ayes are 32. The noes are 41.

Mr. CLARK of Missouri. I withdraw the request for the yeas and nays.

The PRESIDENT pro tempore. The amendment is rejected.

Mr. BROWN. Mr. President, I call up the amendment relative to the exemption of teachers in public schools and in State eleemosynary institutions.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add to the bill a new section, as follows:

SEC. 20. Nothing in this act shall be construed as in any way affecting educational, religious, eleemosynary, philanthropic, or cultural institutions, establishments, and agencies, together with the officers and employees thereof.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. MINTON. Mr. President, I send to the desk an amendment which has heretofore been printed and which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 6, after "(1)", it is proposed to insert "any officer or."

On page 1, line 7, it is proposed to strike out "administrative."

On page 2, line 4, after "(2)", it is proposed to insert "any officer."

On page 2, line 5, it is proposed to strike out "administrative."

Mr. BARKLEY. Mr. President, may we have the amendment stated as that part of the bill will read if the amendment is agreed to?

The PRESIDENT pro tempore. The amendment will be stated in such a way as to show how the bill will read if amended as proposed by the Senator from Indiana.

Mr. MINTON. If the Senate will give me unanimous consent to do so, I think I can explain the amendment in a minute.

The PRESIDENT pro tempore. The Senator from Indiana asks unanimous consent to explain the amendment. Is there objection?

Mr. GEORGE. Mr. President, let the amendment be read.

The CHIEF CLERK. As proposed to be amended, section 2 would read:

SEC. 2. It shall be unlawful for (1) any officer or any person employed in any position by the United States, or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof, and any corporation all of the capital stock of which is owned by the United States or any agency thereof), or (2) any officer or any person employed in any position by any State, by any political subdivision or municipality of any State, or by any agency of any State or any of its political subdivisions or municipalities (including any corporation controlled by any State or by any such political subdivision, municipality, or agency, and any corporation all of the capital stock of which is owned by any State or by any such political subdivision, municipality or agency)—

And so forth.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. In a comparison of the amendment with the text of the bill before me—and I will ask the Chair to follow me and tell me whether I am correct or not—on page 2, line 4, after "(2)", the amendment proposes to insert the words "any officer." I find no such figure in line 2.

The PRESIDENT pro tempore. The Senator evidently has the late print. The Chair is following the first print. All amendments refer to the first print.

The question is on agreeing to the amendment offered by the Senator from Indiana. [Putting the question.] In the opinion of the Chair, the "noes" have it.

Mr. McNARY. I ask for a division.

The Senate proceeded to divide.

The PRESIDENT pro tempore. On this vote the ayes are 16, the noes are 52, so the amendment is rejected.

Mr. BROWN. Mr. President, my amendment on the clerk's desk, which defines political activities which are proscribed, has not been voted on, and I ask unanimous consent that section 3 be eliminated from the amendment, because that has been adopted. I withdraw section 3 of the amendment, which was adopted earlier in the day.

The PRESIDENT pro tempore. The Senator from Michigan asks unanimous consent to withdraw section 3 of his amendment. Without objection, it is so ordered. The amendment will be stated with section 3 eliminated.

Mr. BROWN. Mr. President, there is possibly a slight misunderstanding between the Senator from New Mexico and myself. The Senator from New Mexico tells me that he supposed I would not offer this amendment if he accepted a substitute for section 3. I did not understand it that way. But I take what the Senator says to be the fact, and I will not press the amendment.

Mr. HATCH. Mr. President, I do not care to have the Senator think I am holding him to the agreement I have suggested.

Mr. BROWN. I understand the Senator's position.

The PRESIDENT pro tempore. The amendment is withdrawn. The bill is open to further amendment.

Mr. O'MAHONEY. Mr. President, I offer the following amendment, on page 2, line 23—

Mr. HATCH. The time for offering amendments has expired.

The PRESIDENT pro tempore. The Senator's amendment evidently has not been offered in time. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The question now is, Shall the bill pass?

Mr. BARKLEY and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ELLENDER (when his name was called). On this vote I have a pair with the junior Senator from Wisconsin [Mr. WILEY]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. HARRISON (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. BURKE]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. CLARK of Missouri (when Mr. TRUMAN's name was called). My colleague is unavoidably detained from the Senate on important public business. If present, he would vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Florida [Mr. ANDREWS] is paired with the Senator from Illinois [Mr. SLATTERY]. I am advised that if present and voting the Senator from Florida would vote "yea," and the Senator from Illinois would vote "nay."

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably absent. I am requested by him to announce that were he present he would vote in the negative.

Mr. SHIPSTEAD (after having voted in the affirmative). I have a pair with the senior Senator from Virginia [Mr. GLASS]. The Senator from Virginia is not present, and I withdraw my vote.

The result was announced—yeas 58, nays 28, as follows:

YEAS—58

Ashurst	George	Lodge	Sheppard
Austin	Gerry	McCarran	Taft
Barbour	Gibson	McNary	Thomas, Idaho
Barkley	Gillette	Mead	Thomas, Utah
Bone	Green	Murray	Tobey
Bridges	Gurney	Neely	Townsend
Capper	Hale	Norris	Tydings
Caraway	Hatch	Nye	Vandenberg
Chandler	Herring	O'Mahoney	Van Nuys
Clark, Idaho	Holman	Overton	Wagner
Clark, Mo.	Holt	Radcliffe	Walsh
Danaher	Johnson, Calif.	Reed	Wheeler
Davis	Johnson, Colo.	Reynolds	White
Downey	La Follette	Russell	
Frazier	Lee	Schwartz	

NAYS—28

Adams	Byrnes	Hughes	Pepper
Bailey	Chavez	Lucas	Pittman
Bankhead	Connally	Lundeen	Schwellenbach
Bilbo	Donahay	McKellar	Smathers
Brown	Guffey	Maloney	Smith
Bulow	Hayden	Miller	Stewart
Byrd	Hill	Minton	Thomas, Okla.

NOT VOTING—10

Andrews	Glass	Shipstead	Truman
Burke	Harrison	Slattery	Wiley
Ellender	King		

So the bill S. 3046 was passed.

Mr. HATCH. Mr. President, I ask unanimous consent that the bill as passed, including all the amendments agreed to, be printed in the RECORD for the information of Senators.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The bill, S. 3046, as passed by the Senate, is as follows:

An act to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939

Be it enacted, etc., That section 2 of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, is amended to read as follows:

"Sec. 2. It shall be unlawful for (1) any person employed in any administrative position by the United States, or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof, and any corporation all of the capital stock of which is owned by the United States or any agency thereof), or (2) any person employed in any administrative position by any State, by any political subdivision or municipality of any State, or by any agency of any State or any of its political subdivisions or municipalities (including any corporation controlled by any State or by any such political subdivision, municipality, or agency, and any corporation all of the capital stock of which is owned by any State or by any such political subdivision, municipality, or agency), in connection with any activity which is financed in whole or in part by loans or grants made by the United States, or by any such department, independent agency, or other agency of the United States, to use his official authority for the purpose of interfering with, or affecting, the election or the nomination of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, Member of the House of Representatives, or Delegate or Resident Commissioner from any Territory or insular possession."

Sec. 2. Section 10 of such act of August 2, 1939, is amended to read as follows:

"Sec. 10. The provisions of this act shall be in addition to and not in substitution for any other provision of law."

Sec. 3. Such act of August 2, 1939, is further amended by adding at the end thereof the following new sections:

"Sec. 12. (a) No officer or employee of any State or local agency who exercises any function in connection with any activity which is financed in whole or in part by loans or grants made by the United States or by any Federal agency shall use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No such officer or employee shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects. When used in the second sentence of this subsection, the term 'officer or employee' shall not be construed to include (1) the Governor or the Lieutenant Governor of any State or any person who is authorized by law to act as Governor, or the mayor of any city; (2) duly elected heads of executive departments of any State or municipality who are not classified under a State or municipal merit or civil-service system; (3) officers holding elective offices.

"(b) If any Federal agency charged with the duty of making any loan or grant of funds of the United States for use in any activity in connection with which any function is exercised by any officer or employee to whom the provisions of subsection (a) are applicable has reason to believe that any such officer or employee has violated the provisions of such subsection, it shall make a report with respect thereto to the United States Civil Service Commission (hereinafter referred to as the 'Commission'). Upon the receipt of any such report, or upon the receipt of any other information which seems to the Commission to warrant an investigation, the Commission shall forthwith by registered mail give notice to any such officer or employee and to the State or local agency employing such officer or employee of the pendency of the charge, in which notice shall be set forth a summary of the alleged violation and of the time and place for a hearing upon said charge, at which hearing (which shall be not earlier than 10 days thereafter) either the officer or employee or the State or local agency, or both, may appear with counsel and be heard, whereupon said Commission shall determine whether any violation of such subsection has occurred. If the Commission determines that any such violation has occurred, and that such violation warrants the removal of the officer or employee by whom it was committed from his office or employment, it shall notify the appropriate State or local agency of such determination, whereupon such officer or employee or the appropriate State, or both, shall have the right to appeal from any such finding to the next term of the United States district court for the district in which such officer or employee shall reside; and the United States district courts shall have jurisdiction to hear and determine such appeal, and all proceedings therein shall be had in the same manner as is provided for appeals taken under section 39c, Public Law No. 696, of the Seventy-fifth Congress, approved June 22, 1938 (U. S. C., Supp. title 11, sec. 67c). No such officer or employee shall be dismissed as a result of such determination by said Commission and no loan or grant shall be withheld until said appeal shall be finally determined. Pending final determination of any such appeal, any such officer or employee previously found guilty of a violation of this section shall stand suspended. If in any case the Commission finds that such officer or employee has not been removed from his office or employment within a reasonable time after such notification, or that he has been so removed and has subsequently (within a period of 18 months) been appointed to any office or employment in any State or local agency in such State, the Commission shall certify the fact to the appropriate Federal agency, which shall thereupon withhold from its contributions, loan or grant to such State or local agency within such State, a sum twice the amount of the annual salary of such officer or employee.

"(c) In determining the amount to be withheld under subsection (b) on account of violations of subsection (a), the Commission shall take into account the nature of such violations and

the circumstances under which they occurred: *Provided*, That in no event shall loans or grants pledged by a State or local agency as security for its bonds or notes be withheld where such action would jeopardize the payment of principal or interest on such bonds or notes.

"(d) The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. Any determination made by the Commission under this section shall be final and conclusive upon all accounting and other officers of the United States and all other persons.

"(e) The provisions of the first two sentences of section 12 (a) shall not apply to employees in an activity of a State or of a local agency not financed as to such particular activity in whole or in part by Federal loans or grants.

"(f) For the purposes of this section—

"(1) The term 'State or local agency' means the executive branch of any State, or of any municipality or other political subdivision of such State, or any agency or department thereof.

"(2) The term 'Federal agency' includes any executive department, independent establishment, or other agency of the United States (except a member bank of the Federal Reserve System).

"Sec. 13. (a) Excessive financial aid to any candidate for an elective Federal office is a pernicious political activity and is hereby declared to be illegal.

"(b) Excessive financial aid to any political committee or political organization engaged in furthering, advancing, or advocating the election of any candidate or political party nominees for a Federal office, or any committee engaged in furthering, advancing, or advocating the success of any national political party is a pernicious political activity and is hereby declared to be illegal.

"(c) Presidential electors and the President of the United States for the purpose of this act are declared to be elective officers.

"(d) Any amount expended, contributed, furnished, or advanced by one person, directly or indirectly, in violation of this section in excess of \$5,000 is hereby declared to be excessive financial aid.

"(e) Any person who directly or indirectly contributes more than \$5,000 during any calendar year or for use in any one campaign or election, in violation of the provisions of this section, is guilty of pernicious political activity, and on conviction, shall be fined not less than \$5,000 and also sentenced to the penitentiary for not exceeding 5 years.

"Sec. 14. No officer or employee of any State or local agency who exercises any function in connection with any activity which is financed in whole or in part by loans or grants made by the United States or by any Federal agency shall directly or indirectly coerce, attempt to coerce, command, or advise any officer or employee embraced by this section to pay, lend, or contribute any part of his salary or compensation or anything else of value to any party, committee, organization, agency, or person for political purposes.

"Sec. 15. For the purposes of this act, persons employed in the government of the District of Columbia shall be deemed to be employed in the executive branch of the Government of the United States, except that for the purposes of the second sentence of section 9 (a) the Commissioners and the recorder of deeds of the District of Columbia shall not be deemed to be officers or employees.

"Sec. 16. The provisions of this act which prohibit persons to whom such provisions apply from taking any active part in political management or in political campaigns shall be deemed to prohibit the same activities on the part of such persons as the United States Civil Service Commission has heretofore determined are at the time of the passage of this act prohibited on the part of employees in the classified civil service of the United States by the provisions of the civil-service rules prohibiting such employees from taking any active part in political management or in political campaigns.

"Sec. 17. Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision, in the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or political subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons.

"Sec. 18. No person or firm entering into any contract with the United States or any department or agency thereof, or performing any work or services for the United States or any department or agency thereof, or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such work, services, material, supplies, equipment, land,

or building is to be made in whole or in part from funds appropriated by the Congress, shall, during the period of negotiation for, or performance or furnishing of, such contract, work, services, material, supplies, equipment, land, or buildings, directly or indirectly, make any contribution of money or any other thing of value, or promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; nor shall any person knowingly solicit any such contribution from any such person or firm, for any such purpose during any such period. Any person who violates the provisions of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than 5 years.

"Sec. 19. Nothing in this act or in said act of August 2, 1939, shall be construed to prevent any person employed by the State government, the municipal government, or any agency thereof, from becoming a bona fide candidate for any public office and engaging in any lawful political activity in furtherance of his candidacy in the event he takes a leave of absence without pay from his employment during the campaign.

"Nothing in this act or in said act of August 2, 1939, shall be construed to prevent any lawful political activity in an election and the preceding campaign at which there are no candidates on party tickets representing a party which polled votes for President in the last preceding national election; nor lawful political activity in an election and the preceding campaign respecting any issue not particularly identified with any National or State political party, such as revision of the Constitution of the United States or of a State; referendums; approval or disapproval of city or municipal statutes or ordinances, and other issues of similar character.

"Sec. 20. Nothing in this act shall be construed as in any way affecting educational, religious, eleemosynary, philanthropic, or cultural institutions, establishments, and agencies, together with the officers and employees thereof.

"Sec. 21. Nothing in this act shall prohibit any official or employee subject to its provisions from becoming a candidate or accepting a nomination for an appointive or elective office or position provided such official or employee shall not use his official authority or influence to secure such nomination or appointment: *And provided further*, That such official or employee shall resign from his office or employment upon receipt of such nomination or appointment.

"Sec. 22. Section 9 (a) of said act of August 2, 1939, is further amended by inserting after the words 'political subjects,' in the ninth line of said subdivision (a), the following: 'and candidates.'

"Sec. 23. As used in this act, the term 'State' means any State, Territory, or possession of the United States."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1750. An act authorizing the Secretary of War to convey to the town of Marmet, W. Va., two tracts of land to be used for municipal purposes; and

S. 2739. An act to amend section 45 of the United States Criminal Code to make it applicable to the outlying possessions of the United States.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8641) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR, Mr. WOODRUM of Virginia, Mr. CANNON, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER were appointed managers on the part of the House at the conference.

FIRST DEFICIENCY APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8641) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ADAMS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

AGRICULTURAL APPROPRIATIONS

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 8202, the general appropriation bill for the Department of Agriculture.

There being no objection, the Senate proceeded to consider the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the committee amendments to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. RUSSELL. Mr. President, in view of the misinformation which has been going the rounds in regard to the extent of the amendments approved by the Committee on Appropriations to the pending bill, I feel that, in justice to the committee, I should make a general statement in regard to the bill.

Mr. BARKLEY. Mr. President, this is one of the most important bills that has been before the Senate, and I ask that we have better order so that we can hear the Senator from Georgia.

The PRESIDENT pro tempore. The confusion is very largely caused by large numbers of the occupants of the galleries leaving and others entering. The Doorkeepers will preserve order in the galleries, and the Senate will be in order.

Mr. RUSSELL. Mr. President, the pending legislation, the agricultural appropriation bill, provides for the most far-flung and varied activities of Government of any measure considered each year by the Congress. Something like 2,000 different projects related to almost every conceivable phase of plant, animal, and human life are supported by the funds carried in this measure.

After having wrestled with this bill for 6 years, I am convinced that it is beyond the ability of any one human being to familiarize himself in detail with the scope and extent of all of the work that is done or supposed to be done in the program carried on by this Department.

The task of the committee handling this bill is always a difficult one. Not only are the hearings where departmental witnesses testify rather tedious and involved, but this bill also attracts a large number of persons who wish to present problems which peculiarly affect their business or section in an effort to obtain appropriations to help with their solution.

These witnesses, some representing national organizations, come before the committee with recommendations for appropriations to help with the solution of their problems.

Senators are familiar with the fact that the Bureau of the Budget this year dealt very drastically with the recommendations of the Department affecting agricultural appropriations. There are four different sets of figures that are sometimes used in explaining the amount of money that is involved in the agricultural appropriation bill. Each set of figures includes different items. One of those sets of figures applies only to the new money that is appropriated. Another contains the so-called new money that is appropriated and, as well, the reappropriations, but excludes trust funds and cooperative funds.

There is another which contains new money and the permanent appropriations. It has always been my thought that the figures which more truly represented a true picture of the appropriations for the Department of Agriculture were those which included funds from all sources, the new money that was appropriated, the permanent appropriations that are established by law, the amount of reappropriations, cooperative funds, and funds from all sources that are included in the agricultural bill or by existing law, and which will be available to the Department of Agriculture for expenditure in a given year.

Using those figures, the amount of the appropriations for the year 1940, being funds that are available from all sources, amounted to about \$1,428,334,430. When the Bureau of the Budget undertook the consideration of this bill to make its recommendations to the Congress this amount was reduced to \$864,000,000. That is a reduction by the Bureau of the Budget of \$564,000,000, or approximately a 40-percent cut in the appropriations as contained in the legislation for the current year.

When the bill reached the House of Representatives the House proceeded to make still further reductions, though the Bureau of the Budget had already cut the appropriations for the agricultural activities of the country to the bone. The bill as it passed the House appropriated \$796,973,132, or a reduction below the appropriations for the year 1940 of \$631,000,000, being a reduction of 44 percent that had been leveled against the agricultural appropriation bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. VANDENBERG. Before the Senator leaves that figure will he now tell me how the \$796,000,000 appropriated by the House compared with the Budget estimate?

Mr. RUSSELL. The \$796,000,000 appropriated by the House compared with Budget estimates of \$864,000,000, being a reduction below the Budget estimate.

Mr. President, I might say, to be perfectly fair, that \$60,000,000 of money that was contained in the bill as it passed the House has been made available immediately to the Department for use in the soil-conservation program under the provisions of the first deficiency act, which has, as I understand, passed both branches of Congress. And in all fairness that amount of money should be added to the Budget estimates, to the House figures, and to the Senate figures, because that amount was made available earlier than the next fiscal year in order to bring the conservation program into line.

I might say further that the appropriations for the Rural Electrification Administration and for the farm-tenancy program, which have heretofore been made as direct appropriations by the Congress, were dealt with differently this year by the committee. The committee will offer amendments which will provide that the funds for these two activities of the Department shall be obtained from the Reconstruction Finance Corporation, just as other loan programs of the Government are handled. This involves legislation, and the committee could not under the rules include it in the bill, but authorized me to offer it from the floor.

The Bureau of the Budget recommended that the appropriation for the Rural Electrification Administration be handled in that manner. The committee, after going into the fine record of repayments that have been made by those who have borrowed funds in order to become home owners under the farm-tenant purchase program, concluded that they were fully justified in also financing that program from the Reconstruction Finance Corporation rather than from a direct appropriation from the Treasury.

Mr. President, I ask that table A, showing Department of Agriculture appropriations, to which I have referred, be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

TABLE A.—Department of Agriculture appropriations (inclusive of "Loans, relief, and rural rehabilitation" carried in emergency relief acts, permanent appropriations, and trust funds)

	Appropriation, 1940	Budget estimate, 1941 ¹			House bill, 1941 ¹			Senate committee bill, 1941		
		Amount	Reduction below 1940		Amount	Reduction below 1940		Amount	Reduction below 1940	
			Amount	Percent		Amount	Percent		Amount	Percent
Total appropriations (includes reappropriations) On this basis, House bill is below Budget estimates \$67,028,535, or 7.8 percent. Senate committee bill is above Budget estimates \$203,240,049, or 24 percent.	\$1,428,334,430	\$864,001,667	—\$564,332,763	40	\$796,973,132	—\$631,361,298	44	\$1,067,241,716	—\$361,092,714	25
Total direct appropriations (excludes reappropriations) On this basis, House bill is below Budget estimates \$67,028,535, or 8.0 percent. Senate committee bill is above Budget estimates \$201,940,049, or 24 percent.	1,290,289,427	832,976,664	—457,312,763	35	765,948,129	—524,341,298	41	1,034,916,713	—255,372,714	20

¹ Exclusive of \$60,000,000 for "Conservation and use of agricultural land resources" to offset similar amount now in first deficiency appropriation bill, 1940.

Mr. RUSSELL. Mr. President, I wish to call the Senate's attention to the fact that, whereas the total amount of over-all reductions in the Budget submitted to the Congress upon its convening in January amounted to 8 percent, the bill for the agricultural interests of the country was reduced by the Bureau of the Budget by approximately 40 percent. I have stated on the floor of the Senate previously that there is nothing in the general farm picture, nor in any evidence that was submitted to the Appropriations Committee in the consideration of this bill, to justify this tremendous and disproportionate reduction in the agricultural appropriation bill.

The committee was confronted with these alternatives. We could either accept the bill as it came before us with these drastic reductions made by the Bureau of the Budget, and accentuated in the House, and by so doing slash the very heart out of the farm program, and reduce still further the farmer's already diminished and pathetic share of the national income, or we could proceed to exercise our own judgment in writing appropriations that we considered the very minimum under which the farm program could operate in the year 1941.

In my opinion the amount provided by the Senate amendments is the very minimum on which the farm program can operate. And certainly if any reductions are made in the total recommended by the committee to the Senate the farmer will be compelled to bear an unfair proportion of the reduction in the National Budget.

Having deducted the exchange of the \$60,000,000 in the first deficiency bill, and the rearrangement of funds provided for in the pending bill, by transfer to loans by the Reconstruction Finance Corporation, the bill as reported to the Senate by your committee is \$361,000,000 below the appropriations for the current year, or a reduction of approximately 25 percent. And I challenge anyone to show a reduction of 25 percent in any other general appropriation bill that has heretofore been or will hereafter be passed by the Congress to operate an active program which continues from year to year.

The committee has endeavored to be as careful as possible in this matter. Some of the members of the committee exercised considerable self-restraint, and did not even offer amendments providing for appropriations for purposes in which they have been interested for years—amendments, I might say, that have been approved by the Senate on more than one occasion.

There has been a great deal of criticism of the committee, particularly on the part of a large section of the metropolitan press, because the committee recommendations exceed the recommendations of the Bureau of the Budget for this measure.

It is always pleasant to stay within the budgetary limitations on any bill, but it is not the duty of the Congress to be

bound absolutely by the recommendations of that agency as to any specific item or any single bill.

The recommendations of the Bureau of the Budget are merely advisory to the Congress. They are vastly important, because the Federal activities have so increased of recent years that it is difficult for the Congress to make a detailed investigation of every item in every appropriation bill.

The recommendations of the Bureau of the Budget should be considered; but if the Budget proposes unfair and unequal reductions in the appropriation for any one of the departments or activities, particularly in the case of the farm bill, dealing as it does with the most underprivileged and hard-pressed group in the United States, then I do not think the Congress should feel that it is absolutely bound by the recommendations of the Bureau of the Budget. Speaking for myself, I do not feel bound by such recommendations.

Mr. President, I think I am as familiar with the needs of the farmer in my immediate section as is any clerk in the Bureau of the Budget who formulates the recommendations which come to us. Other Senators have had vastly more experience and are infinitely better prepared to pass judgment on the matter of agricultural appropriations than is any individual who is connected with the Bureau of the Budget.

Senators have observed, from their study of the bills appropriating funds for the maintenance of other departments, that many of them have already been allowed increases by the Bureau of the Budget and by the Congress for the year 1941 when the bill for 1941 is compared with the appropriations for 1940. Not a single bill has even approximated the reductions which have been made in the agricultural appropriation bill. I might point out, for example, that the Bureau of the Budget, in its recommendations to the Congress for appropriations for its own maintenance, suggested an increase of 22 percent over the appropriations for the current year. Congress has approved that increase in the appropriation for the Bureau of the Budget. I cannot avoid expressing the hope that all the new clerks and employees who are hired with the 22-percent increase will not be put to work on still further cutting the estimates for agricultural appropriations. If the Bureau of the Budget had approached all the other appropriation bills with the same zeal and enthusiasm which it manifested in dealing with the farm bill, the Budget would have been balanced this year; and I should have had more respect for the recommendations of that Bureau had it dealt more equitably in distributing reductions among all the appropriation measures which come before the Congress.

Mr. President, I do not wish to appear unduly critical of the Bureau of the Budget. From my service on the Committee on Appropriations I realize the magnitude of the task of dealing with the thousands of items found in all the appropriation bills, but in the last analysis the amount of the appropriation which the Congress should make for any specific

agency is the constitutional responsibility of the Congress. If we are to be absolutely bound by the recommendations of the Bureau of the Budget, we might as well do away with our duty of appropriating and save much time and trouble.

The larger part of the increases made in the bill by the Senate committee is found in the amendment proposing an appropriation for parity payments to farmers and in the amendment appropriating funds to supplement permanent appropriations to be expended under the provisions of section 32 of the act of 1935. The parity-payment amendment contains a provision that no payment will be made with respect to any commodity in the event the average farm price of such commodity is more than 75 percent of the parity price, nor shall any payment exceed an amount which will be sufficient to bring the farmer 75 percent of parity.

The President, in his message transmitting the Budget, emphasized a fact which is known to every intelligent person in this country by stating that "agriculture is still not receiving its proper share of the national income." He explains the omission of estimates for parity payments in these words:

I have not, however, included estimates for new appropriations for parity payments in 1941. I am influenced by the hope that next year's crops can be sold by their producers for at least 75 percent of parity. I do not suggest in any way the abandonment of the policy of parity payments heretofore adopted, and future events may call for some appropriation to this end. I note, however, in passing, that the Congress has failed to make any provision for the financing of these payments already made or obligated for 1938 and 1939 crops.

As I have heretofore stated, the 75-percent limitation contained in the committee amendment carries out the idea expressed by the President in his Budget message. It will not result in any outlay whatever from the National Treasury if the hoped-for increase in farm prices expressed by the President and shared by millions throughout the country becomes a reality. However, the economists and expert witnesses who appeared before the committee, including the Secretary of Agriculture and representatives of large farm organizations, all painted a gloomy picture of the probable effect of the European and Asiatic wars on the prices of farm commodities. Many persons anticipate increases in farm prices. The witnesses were all of the opinion that the experience of the agricultural interests in this war would not parallel the experience in 1917 and 1918, when farm prices skyrocketed.

It has been suggested that we might wait until next year and see what happens; and if farm prices are lower at that time Congress might then appropriate funds for parity payments. Those familiar with the farm program know that such a course would be disastrous to the farmer and absolutely destructive to the farm program. The farmer is entitled to know, before he prepares his land and plants his crop, just what he may expect in the way of parity and soil-conservation payments if he cooperates with the farm program. If no provision is made to give him some assurance that he will receive at least 75 percent of parity for crops on his allotted acreage, no one can blame him for failing to cooperate with the farm program and for seeking to overcome by increased production any decrease in the market price of his commodities which he may apprehend.

The appropriation for this year has failed to bring the producers of the basic commodities to 75 percent of parity. Taking the farm prices of the basic commodities and adding the parity payments, which have been made or will be made this year, the Department of Agriculture estimates that wheat will approach 68.6 percent of parity, corn will be 69.7 percent of parity, and cotton 65.8 percent of parity. Therefore the committee felt justified in putting the farmer on notice now that the amount recommended by the committee will be available to augment the decreased prices of farm commodities in the event the war should not bring about the increases in farm prices which the President suggested in his Budget message.

This appropriation is in the nature of an insurance fund to the farmer who cooperates with the farm program. It seeks to guarantee him at least 75 percent of what the Congress has said is a fair price; but the amount contained in the bill will not assure the farmer 75 percent of parity unless

there is some increase in the market prices of the basic commodities.

Mr. President, I offer for the RECORD statements showing parity prices of the five basic commodities, as well as the farm prices of the same commodities on Friday, March 8.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Without objection, the statements will be printed in the RECORD at this point.

The statements are as follows:

Parity prices Feb. 15, 1940

Cotton	cents per pound	15.87
Corn	cents per bushel	82.2
Wheat	do	113.2
Rice	cents per hundredweight	231.3
Tobacco:		
Flue-cured	cents per pound	18.2
Dark	do	9.8
Burley	do	16.9
Cigar type 41	do	10.7
Other cigar filler and binder	do	14.2

Farm prices of certain commodities on Friday, Mar. 8, 1940

Cotton	cents per pound	10
Wheat	cents per bushel	86.7
Corn	do	55
Rice	cents per hundredweight	153.0
Tobacco:		
Flue-cured	cents per pound	15.2
Burley	do	17.4
Dark	do	8.6
Pennsylvania	do	13.6
Other cigar, binder, and filler	do	14.7

Mr. RUSSELL. Mr. President, I do not wish to tire the Senate with a lengthy discussion of the general condition of the farmer, as compared with other groups in this country. We all know that he is not receiving his fair share of the national income. Slightly more than 25 percent of the people of this country are living upon farms and receiving approximately 7 percent of the total national income. In my opinion the day is not far distant when the Congress of the United States will be compelled to deal with this problem on a basis other than trying to afford the farmer only 75 percent of justice. Justice to the farmer is long past due. The Secretary of Agriculture stated before the committee that it would be necessary to increase the farm income at least another one and a half billion dollars in order to place the income of the farmers on a parity with the income of other groups. He submitted statistics showing that on January 15 of this year, when farm prices were slightly higher, due to speculative influences brought about by the war, farm income was 99 percent of the pre-war parity from 1909 to 1914, that period having been designated by the Congress as the parity period, while the average price of the things which the farmer buys, including interest and taxes, was 128 percent. This reduces the purchasing power of farm commodities, as compared with the prices of the goods the farmer buys, to only 77 percent. Bear in mind that the figure of 77 percent applies to all farm purchasing power. The purchasing power of the so-called basic commodities for which parity appropriations are made is much lower than the over-all average of 77 percent.

The Secretary very graphically illustrated the unequal position of the farmer as compared with other groups by producing two mail-order catalogs, such as are seen in practically every farm home in the United States. One of the catalogs was for the year 1913, in the middle of the so-called parity period, when our economy was supposed to be on an even keel. The other catalog was for the year 1940. The Secretary selected a few items which are essential to farm life, such as work shirts, overalls, common nails, spike-tooth harrows, and other articles which are absolutely essential to farm life, and showed how the increases in the cost of industrial products had far outstripped the prices of farm commodities. I commend to the attention of all Members of the Senate the tables which appear in the printed hearings of the Appropriations Committee, in which the Secretary not only shows the prices in dollars and cents of these articles but breaks them down in terms of the quantity of the commodity which it is necessary to exchange for such articles

today as compared with the quantity of the commodity it would have been necessary to exchange in 1913.

Mr. President, I ask that there be printed in the RECORD at this point the two tables which were submitted to the committee by the Secretary of Agriculture and which appear

in the record of the subcommittee hearings on the agricultural appropriation bill.

The PRESIDING OFFICER. Without objection, the tables will be printed in the RECORD at this point.

The tables are as follows:

TABLE C.—Comparative prices for selected articles, Sears, Roebuck & Co., 1913 and 1940

Article	Unit	1913 catalog			1940 catalog			Price change, 1913-40	
		Page Nos.	Number of items listed	Average price	Page Nos.	Number of items listed	Average price	Amount	Percent
Work shirts.....	Each.....	310-313	34	\$0.57	324-327	60	\$0.73	+\$0.16	+28
Overalls (bib).....	Pair.....	432-434	10	.70	319-323	18	.97	+.27	+39
Men's suits.....	Each.....	383-393	68	12.32	271-274, 277-279	34	18.08	+5.76	+47
Women's shoes.....	Pair.....	336-341, 343-346, 349-351	124	1.84	118, 119, 122-131	68	2.81	+.97	+53
Common nails, 8d.....	100 pounds..	1100	1	2.10	896	1	3.65	+1.55	+74
Axes, single bit, 4-pound head.....	Each.....	1102	8	.96	904	1	1.89	+.93	+97
Handsaws, 26 inches.....	Each.....	1110-1111	8	1.16	906	5	2.07	+.91	+78
Spike-tooth harrows, 2-section, 60-tooth.....	Each.....	1162	1	10.06	940	1	19.75	+9.69	+96
Corn planter, 2-row check.....	Each.....	1163	1	31.25	942	1	65.95	+34.70	+111

TABLE D.—Farm products equivalent in value to specified commodities, Jan. 15, 1913 and 1940

Commodities	Unit	Farm products											
		Pounds of cotton		Pounds of wool		Pounds of beef		Pounds of hogs		Bushels of wheat		Bushels of corn	
		1913	1940	1913	1940	1913	1940	1913	1940	1913	1940	1913	1940
Work shirts.....	Each.....	4.7	7.2	3.1	2.6	10.6	10.6	8.4	14.0	0.73	0.86	1.1	1.4
Overalls.....	Pair.....	5.8	9.6	3.8	3.5	13.0	14.1	10.3	18.7	.90	1.15	1.4	1.8
Men's suits.....	Each.....	102.0	179.0	66.0	64.0	228.0	262.0	181.0	348.0	15.8	21.4	25.0	34.0
Women's shoes.....	Pair.....	15.0	28.0	9.9	10.0	34.0	41.0	27.0	54.0	2.4	3.3	3.7	5.3
Common nails, 8d.....	100 pounds..	17.0	36.0	11.3	13.0	39.0	53.0	31.0	70.0	2.7	4.3	4.2	6.9
Axes, single bit, 4-pound head.....	Each.....	7.9	18.7	5.2	6.7	18.0	27.0	14.0	36.0	1.2	2.2	1.9	3.6
Handsaws, 26 inches.....	Each.....	9.6	20.5	6.2	7.4	22.0	30.0	17.0	40.0	1.5	2.4	2.3	3.9
Spike-tooth harrows, 2-section, 60-tooth.....	Each.....	83.0	196.0	54.0	70.0	186.0	286.0	148.0	380.0	12.9	23.4	20.0	37.0
Corn planter, 2-row check.....	Each.....	258.0	653.0	168.0	235.0	570.0	956.0	460.0	1,268.0	40.0	78.0	63.0	124.0

Mr. RUSSELL. In terms of farm products, to use an illustration anyone can understand, in 1913 8.4 pounds of hogs would purchase an ordinary work shirt. In 1940 it requires 14 pounds of hogs to buy the same shirt.

In 1913 the farmer could have exchanged 4.7 pounds of raw cotton for a cotton work shirt. In 1940 it requires 7.2 pounds of raw cotton to purchase the same cotton shirt.

In 1913, when the farmer went to town to buy a pair of shoes for his wife, he was required to exchange only 2.4 bushels of wheat for the pair of shoes. In 1940 he is required to exchange 3.3 bushels of wheat for the same pair of shoes.

In the normal year 1913 39 pounds of beef could have been exchanged for 100 pounds of common eightpenny nails. Today the farmer is required to exchange 53 pounds of beef for the same nails.

In 1913 the corn farmer could exchange 63 bushels of corn for a two-row corn planter. Today he is compelled to exchange 124 bushels of corn for the same article, which is essentially the same as it was in 1913.

An ordinary 4-pound ax could have been purchased in 1913 for 7.9 pounds of cotton, as compared with 18.7 pounds of cotton today.

Eighteen pounds of beef would have bought the ax in 1913. It takes 27 pounds of beef today.

One and two-tenths bushels of wheat, or 1.9 bushels of corn, could have been exchanged for that ax in 1913. Today it takes 2.2 bushels of wheat or 3.6 bushels of corn to acquire the same ax.

We may use practically every essential of farm life, whether it is clothing, tools, or supplies, in this simple computation. Even a wayfaring man should be able to understand the tremendous handicap and disadvantage of the farmer in his efforts to eke out a bare existence for himself and family when we consider the unusual requirements in the exchange of his commodities for industrial products today, as compared with the quantity that was required in the exchange in 1913.

I have observed that practically all the prospective candidates for the Presidential nomination of both the major parties have come out and assured the farmer that they are in favor of parity for the farmer. A very active candidate from the State of New York the other day came forward with an eight-point program for the benefit and relief of the American farmer, and the first of those eight points was a promise to the farmer of full parity for that which he produced. But a day or two after this candidate from New York came out with the assurance that he stood for parity, I observed in the press a statement from the ranking member of the Appropriations Committee of the House of Representatives on the minority side, who is also from New York, stating that the farmer is already obtaining parity, and criticizing the Senate committee for recommending this small amount as a contribution toward parity payments. I certainly hope that the parity about which the candidate talks is not the kind of parity which suits and pleases the ranking minority member of the Appropriations Committee of the House from the same State.

The articles which I have enumerated—plows, shoes, shirts, and so forth—are the very minimum requirements for life and common decency on the farm or elsewhere. If we leave this field of essentials and go to nonessentials such as electric current, electrical appliances, the amount spent for amusements, going to moving-picture shows or to the corner drug-store, even greater disparity is displayed, to the disadvantage of the farmer. These things that other groups have come to consider as ordinary articles of life are considered luxuries by the farmer, and he is unable to obtain them with the low income now available to him.

Desirable legislation for other groups has, of course, contributed to this disparity in the purchasing power of farm commodities. We have passed here the wage and hour law, which placed a floor under wages and a ceiling over hours, for the benefit of industrial employees. Any increase in the cost of production of commodities has, of course, been re-

flected in the prices of the things the farmer buys. The farmer has very little wage, and very long hours. His purchasing power has been constantly shrinking as the compensation and standards of other groups have gone up. We have imposed Federal taxes on pay rolls to finance our fine social-security program. These taxes likewise are reflected in the retail prices of the products of industry. The farmer makes his contribution to these funds to pay old-age pensions and unemployment insurance every time he purchases one of the products essential to his existence; but in the nature of things he is barred from the security afforded by these laws.

We have the highest tariff rates the Nation has ever seen. Very little has been done to break down that wall, which costs the farmer millions of dollars each year. We have passed coal laws, attempting to guarantee the price of coal. The farmer may not use coal in his home. He is nevertheless required to contribute to increasing the price of coal, because all the products he buys must pay the tax to hold up coal prices at some stage in the manufacture of all industrial commodities.

We have passed the "hot oil" bill to put up the price of the oil and gasoline the farmer has to use in his tractors in his farming operations. We have helped all other groups with artificial devices but the farmer is farther from parity and equality of opportunity and income in this country than is any other group.

The farmer does not object to labor receiving good wages. He is in favor of labor legislation, and those with agricultural constituencies have helped enact labor laws. He is not against a fair return on capital investments.

He does demand, and his demand is just and fair, that he be accorded equal treatment with other groups who are beneficiaries of congressional action. The provisions of this bill are not adequate, but those of us who are concerned and disturbed about the farm problem were convinced we could go no farther in this bill. The Congress should enact, at this session, permanent legislation either fixing prices or levying taxes to give the farming population 100-percent equality. The Appropriations Committee cannot, of course, consider such legislation.

I am sure that any economist or any other person who has investigated the great disparity between farm income and the income of other groups will realize that the greatest and most pressing problem before the United States today is to attempt to assure the farmer a fair return on the products of his toil. Surely in common decency we cannot do less than approve this appropriation of \$212,000,000, a reduction of \$13,000,000 in the appropriation for parity for the present year, which is only designed to give to the farmer three-fourths of the slice of bread that is fully enjoyed by every other group in the country.

I regard it as unnecessary to elaborate on the other amendment which adds a substantial sum to the bill, this being the item of \$85,000,000 to supplement the 40 percent of customs receipts which is set aside for the operation of the surplus program under section 32 of the act of 1935. The customs receipts amount to \$100,000,000. Therefore, there will be available this year for the purposes defined in section 32 the sum of \$185,000,000 as compared with the sum of \$203,000,000 available for the same purpose during the current fiscal year. Senators will observe that the committee has made a substantial reduction in this item, as it has in the appropriation for parity payments.

The so-called stamp plan for the distribution of surplus commodities to those on relief, which has met with such great favor all over the country where tried, is financed from these funds, as is the distribution of surplus commodities to those who are on the relief rolls. It developed before the committee that in some States the only relief that was received by over 40 percent of those on the relief rolls was the surplus commodities that were purchased and distributed under the provisions of this appropriation.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield to the Senator from Texas.

Mr. CONNALLY. Under the heading "Disposal of surplus commodities," to which the Senator has just been addressing his remarks, under section 32 of the act of 1935 the \$100,000,000 is an automatic appropriation, is it not?

Mr. RUSSELL. That is correct.

Mr. CONNALLY. It is not necessary to carry it in this bill?

Mr. RUSSELL. It is a permanent appropriation.

Mr. CONNALLY. That item is provided in section 32 of the act of 1935, which provides that 30 percent of all customs duties shall be set aside in a special fund for the use of the Secretary of Agriculture for the purposes set out in this section on page 83.

Mr. RUSSELL. The Senator is correct. The Senator from Texas was the author of this provision, which has been of great benefit to the agricultural interests of the country, as well as to those who are on the relief rolls.

Mr. CONNALLY. I thank the Senator for that statement. The point I am making is that the language is so broad that it authorizes not only the surplus-stamp plan but all these other plans. Our action has served the double purpose of not only relieving distress, and substituting the distribution of surplus commodities for direct relief where States and counties cannot provide direct relief, but it has also tended to reduce the surplus commodities on the agricultural list. Therefore, this particular provision serves a double purpose. Is not that true?

Mr. RUSSELL. The Senator from Texas is correct. Because of the great demands on the Federal Government from the States and from the localities for these surplus commodities by those in dire straits and because of the great demand from something like 700 cities in the Nation for the so-called stamp plan, some of us have been apprehensive that this program might be diverted from a farm program to a relief program. It is dual in its nature; but the intent of section 32, and I hope the operation of its administration in the Department of Agriculture, is clearly to keep it a farm program; but it has been of tremendous benefit to those who are out of employment and those who are not able to purchase even the bare necessities of life.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. RUSSELL. I yield.

Mr. VANDENBERG. Entirely agreeing with the statement the Senator has just made regarding the utility of the surplus-commodity program, still I want to inquire the relationship between the \$85,000,000 and the Budget estimate.

Mr. RUSSELL. The Budget estimate was \$72,600,000, as I recall. I will say to the Senator that it was slightly in excess of \$72,000,000; so the recommendation of the committee, while substantially below the appropriation for the current year, is slightly in excess of the recommendation of the Bureau of the Budget. All those who regard the Budget as being a sacred thing, upon which no Member of the House or Member of the Senate should at any time lay hands, may take notice of that fact.

Mr. HILL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HILL. As I understand, the appropriation for this year was \$113,000,000. Is that correct?

Mr. RUSSELL. The direct appropriation to supplement section 32 funds for the current year was \$113,000,000.

Mr. HILL. The Budget Bureau recommended \$72,000,000 for this year. The committee has reported \$85,000,000?

Mr. RUSSELL. The Senator is correct.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Alabama.

Mr. BANKHEAD. I ask the Senator from Georgia if it is not a fact—I believe it is—that the scope of the Federal Surplus Commodities Corporation, through the extension of its work in different cities throughout the country, is constantly increasing.

Mr. RUSSELL. I might say that at the time the hearings were first held before the committee the so-called stamp plan had been put into effect in 50 cities of the country. It is anticipated that by the first of July that plan will have been extended to 100 cities, whereas there are bona fide applications on file, accompanied by the assurance that the communities will assume their part of the responsibility for the plan, from more than 700 cities. It will be impossible to reach any considerable portion of the cities that have applied for this plan, but Senators must bear in mind that cities which do not distribute the surplus commodities through the stamp plan will continue to receive the commodities for direct distribution to those who are on the relief rolls. That service is reaching into almost every one of the 3,000 counties of the United States.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRNES. Will the Senator also state the information the committee had as to the cost of distribution by the State organizations as compared with the cost of distribution by the stamp plan?

Mr. RUSSELL. Yes. It developed before the committee that the cost of direct distribution of surplus commodities was extremely high. Not only is it necessary for the Federal Surplus Commodities Corporation to pay the freight and transportation charges on commodities that are purchased—for example, if they buy a carload of butter in Wisconsin under this surplus-removal program and send it down to Georgia, there is a considerable item of transportation involved—but it required the expenditure of approximately \$19,000,000 by the States and local subdivisions of government to get these commodities into the hands of those using and eating them after the freight shipments had been delivered within the States. The stamp program, of course, reduces or eliminates almost altogether the administrative cost of the distribution of these commodities.

Mr. McKELLAR. And, Mr. President, wherever it has been tried out it has been very popular; much more so than the other plan.

Mr. RUSSELL. Yes; I understand it has met with very general favor.

Mr. LEE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LEE. How much would it take to make available the stamp plan to all the cities which are applying?

Mr. RUSSELL. I asked that question in the committee, and it is a very large sum. It would require the expenditure of \$360,000,000, according to the figures presented to us, to take this method of distribution into every community of the United States that is applying for it.

Mr. LEE. If the Senator will allow me an observation, Oklahoma has this plan in one city, and now the two largest cities in the State, Tulsa and Oklahoma City, are asking for the plan, and every report I hear on it is a good one.

It seems to me that it is a systematic way of doing what we are undertaking through the distribution of the commodities directly in a less systematic and perhaps definitely more expensive way.

Did the Senator's committee decide that we could not afford to appropriate enough to put the plan into all the cities which are applying for it?

Mr. RUSSELL. Mr. President, the matter of the amount of appropriations the committee could recommend with hope of final approval was taken into account. We considered that, confining it to a strictly agricultural program, and with the outlets of distribution only sufficient to handle the distribution of surpluses which might accumulate, the amount recommended by the Committee on Appropriations was a reasonable one. But if it is to be considered in the light of a relief program, it would undoubtedly not only dispose of the surplus, but would be a very effective weapon and machinery for dealing with the relief problem in the several communities of the country. However, I did not feel, particularly in view of the amount which has already been added to the bill, that the agricultural appropriation bill

should continue to bear all the burden of this expenditure, whether it was in the nature of a measure for relief or in the nature of a method of surplus disposal. I think it might be well for the Congress to give consideration, when the relief bill is presented, to the matter of extending the program on a wider scale. I do not think the funds should be contained in the pending bill, because, viewing it strictly from the standpoint of the distribution of surplus commodities, while this amount of money is not sufficient to take care of the distribution of the surplus, or to relieve the ill effects of the surplus, it is an amount which is commensurate with the appropriations heretofore made as well as other demands on the committee.

Mr. BYRNES. Let me say, Mr. President, that the representatives of the Department expressed to me the thought that they were fully aware of the demand throughout the country, on the part of cities, for the extension of this service. In some States there has been some rivalry between cities. When one city has had the stamp plan inaugurated, some other city of the State has felt it should have it, and the officials of the Department appreciate the importance of having this Division of the Department of Agriculture, with the primary objective of the disposal of surplus commodities in view, go a little slow, and require the various communities to make some showing that there is really a desire for it, and that it will be of benefit. They are doing a splendid work, but the danger is that they might go too fast and cause it to become merely a relief proposition. They think that they should be allowed to proceed as they are now proceeding, and that if we intend to transform it into a relief proposition, we should take the matter up in a relief bill.

Mr. LEE. Did the Senator say that for the current year there was appropriated \$113,000,000 for this service?

Mr. RUSSELL. Mr. President, I perhaps did not make myself clear. The direct appropriation for the current year is \$113,000,000, and the amount of funds allocated from customs receipts was approximately \$90,000,000. The coming year, due to an increase in customs receipts, there will be approximately \$102,000,000 from that source, as compared with approximately \$90,000,000 for the current year, and a direct appropriation of \$85,000,000, as compared with \$113,000,000 for the current fiscal year.

Mr. BYRNES. What is the number of cities in which this plan has been inaugurated?

Mr. RUSSELL. Slightly over 50.

Mr. LEE. But the appropriation is slightly under last year's appropriation.

Mr. RUSSELL. Oh, yes, it is a reduction under the current appropriation. But it is large enough to permit considerable expansion of the surplus-removal program by the stamp-plan method.

Mr. LEE. I thought this matter was to be taken up and tried out for a while, and if it were found satisfactory, then it should be extended and expanded. I understood the Senator from South Carolina to say just now that it was his idea that we go slowly. We are certainly going slowly when we are going backward.

Mr. RUSSELL. We are not going backward.

Mr. BYRNES. No, we are not going backward.

Mr. RUSSELL. It is proposed to increase the cities having the stamp plan to over a hundred by the 1st of July.

Mr. LEE. But less money is appropriated for it.

Mr. RUSSELL. No, more money will be available for the stamp plan, because so much of the funds which have been heretofore used for direct purchase of surplus commodities and for the export of those commodities is to be used for that purpose. It is merely a difference in the method of handling it.

Mr. BANKHEAD. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BANKHEAD. There are two fields of activity, as the Senator has well pointed out. One is the purchase of surplus commodities, and that is a direct benefit to the farmer. Then, on the other side, there is the stamp plan, which is a

direct benefit to the relief worker. I wish to suggest that it is hardly fair to charge this entire appropriation to agriculture, because at least probably half of it, or a very substantial amount of it, should go in the relief bill.

Mr. RUSSELL. There is no question about that.

Mr. BANKHEAD. Because the distribution goes to relieve distress. I think that should be taken into consideration in figuring the amount chargeable to agriculture.

Mr. RUSSELL. I had intended to refer to that later on in my remarks.

Mr. MILLER and Mr. LA FOLLETTE addressed the Chair. The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Arkansas.

Mr. MILLER. I wish to ask the Senator a question in regard to the item on page 75 dealing with the prevention of soil erosion. I note that the committee has raised the amount appropriated by the House by \$1,700,000. Will the Senator state what the understanding was, or what allocation is to be made of the \$1,700,000 in that item?

Mr. RUSSELL. If the Senator from Arkansas will refer to the report of the Senate committee, page 4, he will find that all of that amount is earmarked for cooperation with soil-conservancy districts. The Senator is probably aware of the fact that in the beginning of this fiscal year there were in the neighborhood of 95,000,000 acres embraced within these soil-conservancy districts. Thirty-seven States have now passed laws providing for the formation of these local districts, and for cooperation with the Federal Government in this work, and it is expected that this year there will be over 200,000,000 acres within these soil-conservancy districts. The Bureau of the Budget reduced the appropriation for this activity under the appropriation for the current year by \$1,500,000, in the teeth of this tremendous increase in the service, which had been at least impliedly promised the farmers if they would vote these soil-conservancy districts. The Senate committee restored the appropriation to the amount available for that purpose for the current year, with a slight increase, but nothing like enough to take care of all the soil-conservancy districts which have been formed.

Mr. MILLER. Mr. President, the Senator from Arkansas had read the report, and I merely wanted to call the matter to the attention of the Senator from Georgia, to the end, not that I expect it, but that we might not have any diversion of the \$1,700,000 from these two purposes for which the committee and the Congress intend to provide it, because of the importance of the soil-conservation district work.

Mr. RUSSELL. I am quite sure that the Soil Conservation Service would not break faith with the committee, because the funds are very clearly earmarked for that purpose, and I am sure they will be expended for that purpose.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GEORGE. Was there a break-down of the \$113,000,000, plus the \$90,000,000, between the expenditures for farm commodities and for export subsidy payments?

Mr. RUSSELL. There is in the House hearing, and I have referred to it. I do not know whether it appears in the Senate committee hearings or not.

Mr. GEORGE. Was any question raised as to whether or not the Secretary of Agriculture proposed to continue to pay export subsidies on the sale of cotton to foreign buyers?

Mr. RUSSELL. I do not know that that question was raised with specific reference to cotton. I did inquire as to what the plans of the Department were for the coming year with reference to export subsidies on all agricultural commodities. The witness from the Department testified that he did not anticipate any extensive export subsidy program next year, because of the fact that the principal exporters of farm commodities had in many instances left the American market and were acquiring from other sources all the agricultural commodities which had been heretofore exported.

Mr. GEORGE. I should like to ask my colleague another question. So much of the sum as is saved from subsidy pay-

ments on cotton shipped to foreign spinners may be used under the stamp plan, may it not, under the amendment?

Mr. RUSSELL. Yes; it may be. The original section 32 and the amendment of last year contained a limitation of 25 percent of the total appropriation as the amount which could be devoted to any one commodity, or expended with respect to any one commodity. The Senate committee amendment this year removed that limitation insofar as the stamp plan is concerned.

Mr. GEORGE. So that all the money the Secretary wants to pay to the foreign purchasers of American cotton by way of subsidy could be paid under the stamp plan?

Mr. RUSSELL. Yes; not only the amount paid on cotton but the amount that has been paid on exports of wheat, lard, pecans, dates, and other agricultural commodities which have received export subsidies.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield; but I might state to the Senator that I desire to complete my statement at the earliest possible moment.

Mr. CONNALLY. I am sorry to interrupt the Senator, and my inquiry will take but a moment. From a reading of the bill it seems the committee did not recommend the appropriation of any funds whatever for the farm-tenancy program, except for the administrative expenses. Is that true?

Mr. RUSSELL. Of course the Senator from Texas is aware of the fact that when the bill was dealt with in the other body all funds for the farm-tenancy program were eliminated. I stated at the outset of my remarks that later the committee would suggest an amendment in the nature of legislation, which the committee could not, under the rules, attach to the bill, but which would provide for \$50,000,000 for loans by the Reconstruction Finance Corporation to carry on the farm-tenancy project for the coming year.

Mr. CONNALLY. That is what prompted the inquiry. I had heard some rumors about the R. F. C., but I saw nothing in the bill about the matter.

Mr. RUSSELL. The Senator is familiar with the fact that the Senate rules would prevent the committee recommending legislation in the bill, and I had stated that the amendment would be proposed from the floor. I have already served notice of my intention to move to suspend the rule, if a point of order shall be made against the amendment.

I now yield to the Senator from Wisconsin, who has been seeking recognition for some time.

Mr. LA FOLLETTE. I do not wish to interrupt the Senator's able statement, but I merely should like to point out at this point that while the committee is to be greatly commended for having provided the sum of \$85,000,000 to augment the funds available under section 32 of the act of 1935, I would not want Senators to get the impression, from listening to the colloquy, that it means a continuation and an augmentation of the stamp plan on the same scale for the coming year; that is, after July 1, 1940, as obtained during the present year, and will be in force down to July 1, 1940. By July 1, 1940, there will be about 100 cities in the country which will have a stamp plan in operation, but even with the sum which the committee has provided it is my understanding that they cannot continue to add cities and communities in anything like the same proportion for the coming year in which they have been adding them and will add them for this year, down to July 1, 1940.

Mr. RUSSELL. Mr. President, the statement of the Senator from Wisconsin is correct as to any large increase. As I stated to the Senator from Oklahoma, the sum recommended will prevent the elimination of any cities where the stamp plan has already been adopted.

Mr. LA FOLLETTE. That is true.

Mr. RUSSELL. It not only will prevent the elimination of those cities but it will enable the Department to extend the program a little further, though nothing like as far as they have applications now to extend it.

Mr. LA FOLLETTE. I wish to commend the committee for its action, but I expect to debate this question at some greater length in my own time, when I shall not be impinging upon the time of the Senator from Georgia. I intend to offer an amendment at the appropriate time to increase the sum recommended by the committee under section 32 of the act of 1935.

Mr. HILL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HILL. As I understand, the committee will follow the same procedure with respect to rural electrification as it did with respect to farm tenancy. In other words, an amendment will be offered by the chairman of the committee providing for \$40,000,000 to be loaned from the R. F. C. to the Rural Electrification Board for rural electrification loans.

Mr. RUSSELL. The Senator from Alabama is correct. When I was discussing the total amount contained in this measure in the beginning, I stated that, in all fairness, the Senate should know that these two amendments would be offered from the floor, and I believe the Senate should adopt them, because it is a proper and reasonable way to finance these activities.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LUNDEEN. Has any Senate committee, other than the Appropriations Committee, considered the matter?

Mr. RUSSELL. No. Not the change in the method of financing.

Mr. LUNDEEN. It would seem that the Committee on Agriculture should consider the bill, in addition to the Committee on Appropriations, so there might be more policy and planning contained in the measure. In other words, does the able Senator from Georgia feel that our policy toward agriculture has been fully covered in the measure?

Mr. RUSSELL. I do not think that we have any national program of legislation that is adequate to the needs of agriculture, or to give justice to agriculture. This bill does not undertake to give full justice to agriculture, I will say frankly. But the question raised by the Senator from Minnesota is one that has been brought out on the floor of the Senate numerous times in the past 20 or 25 years. I should prefer not to be diverted into a discussion of what would be the proper committee to handle the bill now. It has been represented several times since I have been a Member of this body that the Committee on Agriculture should handle the bill, and the Committee on Appropriations has with equal zeal sought to keep the bill within the Committee on Appropriations.

Mr. LUNDEEN. So far as I am concerned I will say that I have no objection to the Committee on Appropriations handling the bill, providing the planning and the policy pursued toward agriculture are fully considered and covered. It would seem to me that the members of the great Agriculture Committee would be more versed and better acquainted with the problems of the American farmer than the very able members of the Appropriations Committee. The Committee on Agriculture is brought into daily contact with all of the problems of farm and forest.

Mr. RUSSELL. Of course, in making appropriations the Committee on Appropriations can only use the vehicle which has been created by the Committee on Agriculture, through its recommendations. We have no power or authority to institute a Nation-wide farm program. We can make appropriations only pursuant to laws which have received the approval of the Committee on Agriculture, and which have been enacted by the Congress.

Mr. LUNDEEN. It would seem to me that both committees have, up to date, failed to solve this great farm crisis, and I suspect that neither of the two old parties have any real solution for these problems. Certainly both major parties have blundered on from bad to worse year after year. When will Congress, and this great Senate, listen to the well-considered and thoroughly planned farm program of the Farmer Labor Party—a program which was given to the

Nation time after time by Congressman Lindbergh, founder of our party; Floyd Olson, Minnesota's great Governor; and others? I thank the Senator.

Mr. VANDENBERG. Mr. President, one further question before the Senator leaves that point.

Mr. RUSSELL. I yield.

Mr. VANDENBERG. Is there any information before the committee dealing with the types of commodities whose surpluses have been relieved or partially relieved by the Federal Surplus Commodities Corporation? Is there any information showing how, upon the one hand, those surpluses may have been relieved by the Federal Surplus Commodities Corporation, and yet the same commodity surpluses may have been increased through increased imports due to reduced tariffs upon the same commodities through reciprocal treaties?

Mr. RUSSELL. The hearings disclosed a list of all the articles which have been purchased by the Federal Surplus Commodities Corporation. It is my recollection, though I am not certain on the point, that that question was asked, and that no agricultural commodity dealt with in the reciprocal trade agreements had been declared surplus and purchased by the Federal Surplus Commodities Corporation. I will, however, confirm that statement from the committee hearings. I think that issue was raised.

Mr. VANDENBERG. Then I have been misadvised, I will say to the Senator. I have been told that 22 farm commodities have suffered great reductions in export as the result of trade treaties, and thus surpluses in those cases have been increased, so that they need to be reduced in turn by payments out of this other branch of the Government.

Mr. RUSSELL. My recollection is that the Senator from Nevada [Mr. McCARRAN] asked one of those who appeared before the committee a question along that line, and he elicited the reply that not a single commodity which was dealt with in the trade-agreements program—of course, the Senator realizes I do not wish to be drawn into a discussion of that program, and this is merely a factual statement—that not an article which had been dealt with in that program had been declared surplus and been distributed through the Federal Surplus Commodities Corporation. It is my recollection that only about 22 articles have been declared surplus during this year for the purposes of this program, so the large number involved in the Senator's statement appears unreasonable.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRNES. The Senator's recollection is correct. I do not think that in this list there are 22 surplus products. The list appears on page 848 of the hearings.

Mr. VANDENBERG. That is what I am asking for. May I see the testimony?

Mr. BYRNES. Yes.

Mr. McCARRAN. I may say, in connection with the Senator's answer, that I am not altogether certain that the answer was as stated by the Senator, but the question was asked, and perhaps the answer was substantially as the Senator had stated.

Mr. RUSSELL. I would prefer to refer to the hearings of the committee. I knew the question was asked by the able Senator from Nevada, who was a faithful and efficient member of the subcommittee, and it was my recollection that the witness replied that none of these commodities had been declared surplus.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Colorado. I understand that beans are being considered in the proposed agreement with Chile.

Mr. RUSSELL. I was referring to trade agreements already actually entered into, not to proposed agreements. I do not think there was any evidence as to proposed agreements.

Mr. JOHNSON of Colorado. The agreement with Chile is pending, of course.

Mr. RUSSELL. If Senators will permit me about 5 minutes to conclude my statement, I shall then be glad to yield to

any question Senators may desire to ask, not promising to answer all of them, but I will attempt to answer them.

As I have stated, the two chief increases that have been proposed by the committee are found in the parity amendments and in the appropriations under section 32 of the act of 1935. A number of smaller increases have been recommended by the Senate committee, most of which had the benefit of Budget estimates, but were refused by the House. There were some other smaller recommendations that were made, bringing up the total amount in the bill to an amount which, though larger than the Budget estimate, and larger than the House appropriation, represents an amount approximately 25 percent below the appropriation for the current year.

The prospect of increasing the debt limitation or of levying new taxes is no more pleasing to me than to anyone else. Both in the Appropriations Committee and on the floor I have consistently voted with those who seek to curtail expenditures in the majority of instances. I submit that when we approach the matter of reducing the National Budget, the reduction should be fairly and equitably prorated between the various activities of Government, and that the agricultural bill of all bills should not be singled out for reductions when we consider the state of the farmer's income as compared with that of practically every other group in this country.

Mr. President, there are thousands of farmers in the United States, many of them good farmers, who produce considerable quantities of the products in which they are engaged in cultivating, whose annual income is not equal to that of those who are employed upon the W. P. A. The farmers as a group are as patriotic as any other class of citizens, but they should not be expected to bear such a large part of the present economy reductions.

As I have pointed out, the reductions in this bill, as compared with the expenditures for the current year, are much greater than in any other bill which has come before Congress. I believe that the farmer would be willing to go forward in a general program of reduction. I know that I wish it were not necessary for the farmers to have to come to the Congress with their hats in their hand every year begging for some little appropriations to supplement their already meager income. Congress should enact some definite program which would avoid the necessity of the farmer having to gamble from year to year what the Congress is going to do in the matter of farm appropriations. Certainly anyone who is familiar with the situation in the homes and in the life on the farms of the United States will know that this group should not be singled out as the sole victims of an economy drive which leaves untouched the appropriations for the other activities of Government.

Some of the great metropolitan papers have been most severe in their editorial criticism of the committee for exceeding the Budget estimate in this bill. I am not at all sensitive to such criticism, Mr. President. My career has immunized me to any pains or grief from criticism of that sort. My sensitiveness has been done away with long ago. But I wish to say to those in the Senate or out of it, who must pass upon this measure, who are disturbed by these editorial criticisms, that none of these editorials which have come to my attention have been fair enough to point out that in the first instance the Bureau of the Budget imposed upon the farm bill a disproportionate part of the total overall deduction in the Budget for the coming year.

These editorials refer to the parity-payments appropriation as though it were some venal and meretricious effort to purchase the farm vote on the part of the Congress. They did not state that appropriations for parity were made in 1938 and 1939 and that as compared with the appropriations of the year 1939 the current bill appropriates less money for these payments; that the committee has reduced the appropriation instead of increasing it.

I wonder what some of these editorial writers would have said if someone had come along and made a 40-percent reduction in their compensation, as was made in this bill. They

would have howled to heaven much louder than the cries we have heard from the farmers.

I might say further that almost without any exception those who are critical of this bill providing funds for loans to enable tenant farmers to become home owners, have urged that unlimited loans to foreign countries be made from the Federal Treasury. Some of those newspapers have demanded additional facilities to enable the air lines to secure weather reports. And yet they criticize this bill in which we have been compelled to double, yea treble, in the past few years the appropriations for the Weather Bureau in order to give the services they have demanded. Some of them have highly commended the so-called stamp plan for the distribution of agricultural surpluses to those on relief. They have demanded its expansion throughout the country. Yet they have not withheld their criticism of the appropriation which makes this plan possible.

As I have stated heretofore, the communities in which these newspapers are situated have derived from this bill the surplus commodities to those who are on relief. It is a refreshing thing that the Senate does not have any monopoly on inconsistency, Mr. President. I am sure that no Member of this body will be deterred from offering the half-handed justice to the farmers of America provided in this bill, by the comments of some editorial writer who probably would not know a Jimson weed from a cornstalk.

If the income of the American farmer is still further reduced, it will not be long till the effect will be felt by those in the cities as well as those on the farm. There can be no sustained prosperity in this country if the farmer has absolutely no purchasing power. Until the time that legislation can be enacted fixing the prices of farm commodities as we have artificially fixed the price of practically every other thing produced in this country, this bill is the best that the Committee on Appropriations could present to the Senate.

The bill is not going to be wholly pleasing to everyone. It is not pleasing to me, because it does not go as far as I should like it to go, but it does go as far as I think it is possible to go at this session of Congress. It is not going to please the farmer, because he has had promises of full parity for a great many years. It will not be pleasing to those who regard the Budget as sacred, and who say that no amendment should change the Budget estimates in the slightest degree.

It will not please those who are demanding that the stamp plan be extended to all the cities. But, Mr. President, it is a compromise, as most involved legislation is a compromise. It is an honest attempt on the part of the committee, which gave long and earnest consideration to the bill, to deal as fairly as possible with the most underprivileged group in the country, the lowest income group in the Nation, at the same time bearing in mind the condition of the National Treasury and the amount available for this purpose, and being fully conscious of the limitations on the committee in recommending legislation which I, for one, think should be adopted to fix the price of farm commodities in this country.

Mr. LEE. Mr. President, will the Senator yield?

Mr. RUSSELL. I feel that I should first yield to the Senator from Mississippi [Mr. BILBO]. He kindly deferred a question a moment ago.

Mr. BILBO. Mr. President, I wish to ask the Senator what assurance he has that the money received under section 32 of the act of 1935 as import subsidies for the benefit of the farmers will not be used for paying subsidies on exportation of farm products.

Mr. RUSSELL. The evidence before the committee developed the fact that with respect to some export commodities, without regard to the amount of subsidy paid, it was not possible to find a buyer. England and France, who have purchased large quantities of such commodities in the past, have placed an absolute embargo on their importation from the United States into those countries. They are saving all their dollars for airplanes and war material and buying everything they can from the colonies or the nations adjacent to Germany and not affected by the naval blockade.

Mr. BILBO. Is it upon those statements that the Senator predicates his hope that we shall have more money to be used in the extension of the stamp-plan program?

Mr. RUSSELL. I stated that present indications, as developed before the committee, were that there would be more money for the surplus distribution program in this country than there had been even under the larger appropriation. However, the fact that such commodities cannot be exported will, of course, increase the need for their distribution in this country in a surplus-removal program at home.

Mr. BILBO. The Senator says that he has not available the amount of the fund which was utilized during the past year in paying export subsidies.

Mr. RUSSELL. Page 848 of the House hearings on the bill contains a full statement of the amount expended for purchase for distribution within the United States, as well as the amount paid for export subsidies on each and every commodity.

Mr. BILBO. On every commodity?

Mr. RUSSELL. Yes.

Mr. BILBO. The amount may not be more than 25 percent on any one commodity. I believe that is the law.

Mr. RUSSELL. That is the limitation in the law.

Mr. BILBO. This is what I really wanted to ask the Senator: Would the Senator have any objection to an amendment prohibiting the use of any of this fund for export subsidies?

Mr. RUSSELL. I do not feel authorized to accept such an amendment.

Mr. BILBO. Such an amendment would make safe the extension of the stamp-plan program. It is only guesswork as it is.

Mr. RUSSELL. My conclusion is predicated on world conditions today.

The Senator from Mississippi well knows—because I have heard him refer to the fact on the floor—that embargoes have been levied by some of the countries on agricultural exports from this Nation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Michigan.

Mr. VANDENBERG. I should like to ask the Senator one final question. Let me say to him that I am not one of those who consider the Budget sacred; but this happens to be a year when, unless we cling with some degree of scruple to the Budget, we shall find ourselves colliding with the statutory debt limit in respect to the national debt. It is my understanding that the President's financial program—which means, of course, staying within the Budget—brings us within \$61,000,000 of the statutory limit on the national debt, provided we also raise about \$400,000,000 in additional taxes. Without arguing the merits of clinging to the Budget as it is, if clinging to the Budget brings us within \$61,000,000 of the statutory limit upon the national debt, and if the bill exceeds the Budget limit by \$201,000,000, do we not by passing the bill put ourselves in a position in which we must choose between increasing the statutory debt limit and raising additional taxes? What is the Senator's comment upon that situation?

Mr. RUSSELL. Mr. President, of course, I could not give anything but my own views on that matter; and my opinion is probably no better than that of other Members of the Senate.

In the first place, I have predicated my support of these amendments on the fact that the reductions of the Bureau of the Budget in current appropriations were disproportionate. I have voted for all amendments to reduce other bills which have passed the Congress. The Senator from Michigan and other Senators who are disturbed by the very question which the Senator has just raised have already voted their approval of general appropriation bills carrying increased appropriations for other agencies of Government, and have not raised the question as to where the money was coming from until the farm bill was reached.

I have made the statement that any parity payment would not be expended until the fall of 1941. I made that statement, of course, to seek to elicit support for the amendment, and not because I am willing to accept the view that the

farm program and the farm appropriations should be singled out as the only activity of government for which special taxes should be definitely levied and earmarked. I am willing to support additional taxes to go into the Treasury of the United States, but I am not willing to go before the farmers of the United States, the lowest income group in this country, and say, "We cannot appropriate funds for you because we could not pass a special tax to accompany your appropriation bill," when that procedure is not required in connection with any other appropriation bill. Who tells any agency or bureau which has an appropriation in the independent offices bill that, "You shall not be allowed this increase in your appropriation over the current appropriation until some special tax is levied"? Who tells the Department of the Interior, when a large project or a great expenditure involved in that bill is presented to the Congress, that no appropriation shall be made for the Department of the Interior until a specific and special tax is levied for the benefit of the project? The President has suggested that taxes should be levied to defray the unusual outlays made by the War Department and by the Navy Department for national defense; and I, for one, am willing to support such taxes. But until this year who had ever said to the War Department, to the Navy Department, or to any other department, "You need an appropriation of \$1,000,000,000, which we are compelled to reduce to \$500,000,000 because we have not levied any special taxes for your Department"?

So far as I am advised, that question has never been raised until this year in dealing with any bill taking money from the Treasury, except when we seek farm appropriations and parity payments to give the farmers a part of what we promised them, or what we gave them reason to believe they should have back in 1938, when the farm bill was enacted. This year it was mentioned in connection with unusual appropriations for national defense.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. VANDENBERG. I think the Senator has misconstrued the purpose of my inquiry. I am not seeking to quarrel with his thesis that the agricultural appropriation bill has had an undue share of economy thrust upon it by the Budget Bureau. I am not controverting that statement at all; and I am not arguing the merits of the appropriations to which the Senator refers. I am merely asking him about the fiscal situation. If we exceed the Budget by \$201,000,000 do we not create a situation in which the appropriation is not worth anything unless we increase the revenue or increase the debt limit?

Mr. RUSSELL. Mr. President, I do not think so, because the Senator from Michigan knows that nobody is talking seriously about raising any \$460,000,000 in taxes at this session of Congress. I for one am willing to vote for them. I have always commended the Senator from Wisconsin [Mr. LA FOLLETTE] because the Senator from Wisconsin, while a liberal spender, is also willing to impose taxes with which to finance expenditures. However, the Senator knows that \$460,000,000 of additional taxes will not be levied. They have not yet been levied, and no bill is being seriously considered for that purpose. So, even if we slash the heart out of the farm appropriation and go back to the Budget estimate, which we have exceeded by some \$200,000,000, we shall still violate the \$45,000,000,000 debt limitation, and this bill will not be the cause of it at all. The \$45,000,000,000 limitation will be touched because the Congress is not following the President's recommendation that we levy \$460,000,000 of taxes; and the \$460,000,000 of new revenue is inextricably interwoven with the Bureau's total over-all recommendation, to avoid violating the \$45,000,000,000 debt limit. The Senator from Michigan is aware of that fact. If we were to appropriate exactly the amount recommended by the Bureau of the Budget, even cutting the heart out of the farm program, if the Senator's figures and premise be correct, we should still violate the \$45,000,000,000 debt limitation unless reductions were made in other bills.

Mr. VANDENBERG. The Senator is correct, provided the increased taxes are not voted.

Mr. RUSSELL. That is correct.

Mr. VANDENBERG. So far as I am concerned, I take the position that I shall vote for any increased taxes necessary to finance this year's appropriations rather than increase the debt limit.

Mr. RUSSELL. I share the same view.

Mr. VANDENBERG. I am perfectly willing to proceed on that theory. However, the fact that no new tax bill has yet been presented does not relieve me from asking myself what happens when \$201,000,000 is added to the appropriations for this year, bringing us—

Mr. RUSSELL. No; \$201,000,000 is not added to the appropriations for this year.

Mr. VANDENBERG. I am sorry; \$201,000,000 above the Budget estimate, bringing us at least \$150,000,000 across the line of the debt limit. All I am trying to find out is whether or not, if I vote for \$201,000,000 beyond the Budget figure at this point, I have morally obligated myself to do one of two things: Either to vote to increase the debt limit or to vote for increased taxes in order to balance the account, unless we can find some other place to effect economies.

Mr. RUSSELL. Exactly. I wish to point out to the Senator from Michigan, who says he does not regard the Budget as being a sacred thing which cannot be touched by the hands of the Congress, that the Senator from Michigan has seen the independent offices bill pass the Congress; he has seen the Treasury-Post Office bill pass the Congress; and he has seen the emergency supplemental appropriation bill—which is really a bill augmenting the Army and Navy expenditures—pass the Congress, without raising the question of the Budget.

Mr. VANDENBERG. Were they not all under the Budget?

Mr. RUSSELL. Under the Budget, but not under the current year's appropriation. So the Senator is taking the Budget as his standard and following it.

Mr. VANDENBERG. I am taking the Budget as my standard for the calculation about which I am speaking.

Mr. RUSSELL. Yes; and the Senator has taken the Budget as his standard for the other bills to which I refer. The question was not raised when those bills passed, some of them containing appropriations for the departments which were substantially in excess of the appropriation for the current year. Those bills were passed without any question being raised in the Congress. The question of comparison with last year's appropriations is not raised until the agricultural appropriation bill comes along, and then the Senator says it is \$201,000,000 over the Budget estimate. Of course, it is \$201,000,000 over the Budget estimate, but it is substantially under the appropriations for the current year.

Mr. VANDENBERG. We have to remake the Budget unless we are to follow it with some degree of consistency.

Mr. RUSSELL. I am undertaking to remake the Budget so far as this bill is concerned, and I have no apologies to make therefor.

Mr. VANDENBERG. I do not ask the Senator to apologize.

Mr. RUSSELL. This bill was subjected to more drastic reductions by the Budget Bureau than any other bill. I do not think the reductions are justified.

Mr. VANDENBERG. I will say to the Senator that I completely follow him in respect to the Surplus Commodity Corporation program, because I think it is very excellent.

Mr. RUSSELL. Does not the Senator also favor parity for the American farmer?

Mr. VANDENBERG. I favor parity for the American farmer in some such—

Mr. RUSSELL. How are we going to give it to him if we do not appropriate for it?

Mr. VANDENBERG. Just a moment, until I answer the question. I favor parity for the American farmer in some such natural process as in my judgment can be followed along the lines of some plan similar to the one which the able Senator from Oklahoma has been discussing, and which I have been discussing for many years.

Mr. RUSSELL. I commend the Senator's good judgment. He approves the plan of the Senator from Oklahoma. I supported that plan on the floor, by voice and vote, when it was defeated in the Senate. I am still for price fixing on the domestic allotment basis.

Mr. VANDENBERG. Let us not get off the track. I do not want to be put in the position, and I do not think it is fair that the Senator should do it, that I am raising this question on the agricultural bill in some spirit that is unfriendly to the farming appropriations. I am simply trying to find out whether I do not obligate myself to vote either for new taxes or for an increased debt limit if this expenditure should go outside the President's financial program.

Mr. RUSSELL. If the figures contained in the Budget are correct, frankness demands that I should answer "yes," with the other exception mentioned by the Senator a few minutes ago—unless a reduction is made in other appropriation bills which have not yet come before the Senate.

Mr. McKELLAR and Mr. CLARK of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and, if so, to whom?

Mr. RUSSELL. I think I should first yield to the Senator from Tennessee. Then I will yield to the Senator from Missouri.

Mr. McKELLAR. Mr. President, I merely want to say that there is another contingency in which we would not have to cut down this appropriation. I understand from very high authority that the receipts from the internal revenue department of the Government are about \$100,000,000 ahead of last year; and that will help to some extent, at any rate, in the matter.

Mr. RUSSELL. I hope that increase will be even more marked.

Mr. McKELLAR. I understand it is \$100,000,000 up to this good hour.

Mr. RUSSELL. I wish further to say that my statement was not intended to embarrass the Senator from Michigan; but I must express the candid opinion that the Senator from Michigan has fallen into the ways of most of the metropolitan dailies and a great many Members of Congress who feel bound by the Budget estimates in specific bills and on specific items, or who use that as their standard, rather than taking the over-all Budget and then making a comparative analysis of the reductions which have been made in the current appropriations, as well as considering the desirability and the relative merits of the appropriations for the various activities of the Government.

I now yield to the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, is it not true that there is still another alternative beyond the one suggested by the Senator from Tennessee and the two alternatives suggested by the Senator from Michigan?

The Senator from Michigan suggested that if we exceeded the Budget by this bill or other bills, it would be necessary either to raise the debt limit or to raise new money by taxation. The Senator from Tennessee very properly suggests that the revenue may run \$100,000,000 above the estimates. I happened to see in a newspaper today that the returns in one district in my State indicate an increase above the estimates of \$800,000 in that one district alone.

There is still another possibility for avoiding the two contingencies suggested by the Senator from Michigan. The Treasury Department has on hand a balance of \$1,622,000,000, which is very much in excess of the balance which has customarily been carried on hand in the past, and which is being carried for no discernible or apparent reason except that some of the officials of the Treasury Department like to have a large sum of money on hand. Is it not possible, if Congress should pass this appropriation bill and other appropriation bills in amounts exceeding the Budget, that the Government might dip into that \$1,622,000,000 of working balance for which the Treasury Department has no particular use?

Mr. RUSSELL. I think some funds might be derived from that source. I never have been able to see any reason for keeping such a large working balance.

Mr. McKELLAR and Mr. BYRNES addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Tennessee. Then I shall be glad to yield to the Senator from South Carolina.

Mr. McKELLAR. One other thing, Mr. President: The military and naval bills are both yet to come before the Senate. While I am very strong for national defense, I think it would be a more just proposal to defer to some extent our military appropriations and preparations than to do away with these matters which have already been promised to the farmers.

Mr. RUSSELL. Mr. President, undoubtedly these items have as definite a national-defense value as building battle-ships or buying guns.

Mr. McKELLAR. Why, of course. They ought to have precedence.

Mr. RUSSELL. How can we expect to maintain our institutions of government in this country when those who are by nature most devoted to their Government, and who are inherently conservative—those who live on the farms—are being forced to travel along at 68 percent of parity income for that which they produce through long hours of toil? The farmer helps finance but is not the beneficiary of the social-security program; he is not assisted by the wage-hour legislation; he is not protected by high tariffs, but pays for the protection of others. The farmers are subject to every hazard of insect and weather to which man can be subjected, without security or guaranty, yet we come here and take time in debating whether we will hand out this meager appropriation of \$212,000,000, which will not even bring the farmer up to 75 percent of parity, unless there is some substantial increase in farm prices before the coming year.

Certainly, this is as important an item of national defense as the Congress could possibly enact into law, because it is touched with justice, in addition to being calculated to give those who live on the farm the feeling that they have a Nation worth defending, and to give them strong bodies and willing hands to undertake that defense in case of national emergency.

Mr. McKELLAR. And if we should have a war, we should be pressing them to bring forward the greatest production ever had.

Mr. RUSSELL. Undoubtedly.

I now yield to the Senator from South Carolina.

Mr. BYRNES. Mr. President, in connection with what was suggested by the Senator from Missouri that we might consider the fact that we have a Treasury balance of \$1,620,000,000, for the comfort of the Senator from Michigan, I call his attention to the further fact that during the closing days of the Republican administration it was deemed sufficient by the great Secretary of the Treasury before the greatest next to Alexander Hamilton—Secretary Ogden Mills—to have a Treasury balance on March 1, 1933, of \$204,000,000, which went down on March 3 to \$151,000,000. If it was safe to have a Treasury balance of only \$150,000,000 during the Republican administration, the country might feel that it is reasonably safe when we have at this time a balance of \$1,620,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I promised to yield to the Senator from Oklahoma [Mr. LEE]. Then I shall be glad to yield to the Senator from Kentucky.

Mr. LEE. Mr. President, I was not going to speak on that particular point.

Mr. BARKLEY. Mr. President, if the Senator will permit me, I think the Senator from South Carolina and all of us will agree that the amount of balance in the Treasury on March 3, 1933, was entirely too small.

Mr. CLARK of Missouri. We were lucky to have any.

Mr. BARKLEY. Of course, we have to keep another fact in mind. Assuming that \$1,620,000,000 is too much, I think it is probably safe to say that the balance ought to be kept within the neighborhood of a billion dollars, for the reason

that when the Government is constantly selling its obligations, those with money to buy those obligations look to see whether, when they come due, the Government probably will be in a position to pay them; otherwise, they might have to renew them, and so forth. I think it does have some psychological effect upon the purchasers of Government obligations to know that the financial situation of the Treasury is sufficient to justify them in believing that the obligations will be met.

Mr. BYRNES. I agree. As a matter of fact, I have given a little study to the subject. I mentioned it only because it was mentioned by the Senator from Missouri. To be entirely fair, I should say that at this time there are demands upon the Treasury in excess of those which then existed—demands because of unemployment compensation. I have taken the trouble to find out the amount of money paid during this fiscal year for those purposes, which did not exist at that time. The total amount does not exceed \$300,000,000. So, taking into consideration the demands for purposes which were not in contemplation at that time, \$300,000,000 plus \$150,000,000 is only \$450,000,000.

We have \$1,620,000,000. Of course, we could permit the balance to go down too low. No one would say that we ought to permit it to go down to the balance which was maintained in the closing days of the Hoover administration; but, at the same time, even having in mind the bank situation, I do not believe it is necessary to maintain a balance of \$1,620,000,000. Certainly, when we discuss levying additional taxes, I do not think it necessary. If confronted with the alternative of levying \$300,000,000 of additional taxes because of the program submitted by the President, or reducing the bank balance from \$1,600,000,000 to \$1,300,000,000, I certainly would have no hesitation. I think we could, without any fear of impairing the Government credit, administer the Government with \$1,250,000,000, or \$1,000,000,000, as suggested by the Senator from Kentucky, and either one of those sums would enable us to get by without much of the worry the Senator from Michigan expressed.

Mr. BARKLEY. I would not for a moment contend that it is necessary to maintain a balance of \$1,600,000,000. Of course, the balance fluctuates. It is not always \$1,600,000,000. It goes up and down, although I do not think it has been less than \$1,000,000,000 for any length of time.

Mr. CLARK of Missouri. It was \$1,500,000,000 at the end of the fiscal year.

Mr. LEE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LEE. What percentage of parity will the \$212,000,000 provided in the bill pay at the present farm prices?

Mr. RUSSELL. As I stated, for the present year, including the parity payments, it averages around 68 percent of parity the farmer would receive under the \$225,000,000 appropriation. Farm prices are a bit higher than they were when those figures were compiled; \$212,000,000, if prices remain at the present level, should furnish the producers of the basic commodities somewhere in the neighborhood of 75 percent of parity.

Mr. LEE. There is a jump in the Senator's statement which I do not follow. Does the Senator mean that since the figures were made farm prices have risen enough to spread the difference between 63 percent of parity and 75 percent of parity?

Mr. RUSSELL. Not as to all commodities, but it is true as to wheat. Wheat is much higher than it was when the average farm prices were established. Cotton is somewhat higher. I do not like to express an opinion, but I will venture to state that unless there is some further increase in the prices of the five basic commodities, the farm prices, together with the parity payments which may be made under the appropriations made in the pending bill, will not bring the farmer 75 percent of parity.

Mr. LEE. I wanted that shown in the RECORD. I appreciate the Senator's frankness. I do not want the impression to go abroad to farmers that we are voting them 75 percent

of parity when, as a matter of fact, we are depending on the hope that the farm prices will rise. Of course, we hope they will, but as of the day when we are taking up this appropriation bill, even if we appropriate all the Senator and his committee ask for, at best it will figure around 68 to, perhaps, 70 percent of parity. Is that about correct?

Mr. RUSSELL. I should think it would be slightly above 70.

Mr. LEE. With respect to wheat, but not as to cotton.

Mr. RUSSELL. With respect to wheat, and it will be, of course, a sheer estimate, but I think it will lack two or three points of being 75 percent as to cotton.

Mr. LEE. I thank the Senator.

Mr. RUSSELL. Mr. President, I desire also to have printed in the RECORD, following the table I have already offered as to parity prices and today's farm prices, a table which shows the effect of the Congress failing to make the parity appropriation for next year.

I call the attention of Senators from wheat States to the fact that if no appropriations are made for parity payments, the total payments from the Federal Government to the wheat farmers will be reduced from 19 cents a bushel to 9 cents a bushel, a reduction of about 50 percent. In the case of corn the payments will be reduced from a total of 15 cents a bushel to 10 cents a bushel, and in the case of cotton they will be reduced from 3.15 cents a pound to 1.6 cents a pound, if no appropriations are made for parity payments. In other words, as to cotton and wheat the farmers producing those commodities will find their Government payments reduced next year by 50 percent, cut in two, and in the case of corn the payments will be reduced approximately to two-thirds of the present rate of payment.

The PRESIDING OFFICER. Is there objection to the printing of the table presented by the Senator from Georgia?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE E.—Rates of payments to Agricultural Adjustment Administration cooperators on normal yields of their acreage allotments

Commodity	1939			1940			1941 ¹	
	Conservation	Parity	Total	Conservation	Parity	Total	Conservation	Total
Cotton, cents per pound.....	1.8	1.6	3.4	1.6	1.55	3.15	1.6	1.6
Corn, cents per bushel.....	9.0	6.0	15.0	10.0	5.00	15.00	10.0	10.0
Wheat, cents per bushel.....	17.0	11.0	28.0	9.0	10.00	19.00	9.0	9.0

¹ On basis of 1940 conservation payment rates. Rates for 1941 not yet determined. Assumes no parity payments in 1941.

Mr. BYRNES. Mr. President, I send to the desk a notice of my intention to move a suspension of the rules, which I desire to file at this time.

Mr. NORRIS. I should like to have the notice read.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, the following amendment, viz, on page 80, line 8, insert the following:

"Provided further, That notwithstanding any other provision of law, persons who in 1938 and 1939 carried out farming operations as tenants or sharecroppers on cropland owned by the United States Government and who complied with the terms and conditions of the 1938 and 1939 agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, shall be entitled to apply for and receive payments, or to retain payments heretofore made, for their participation in said program to the same extent as other producers."

Mr. BYRNES submitted an amendment intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, which was ordered to lie on the table and to be printed. (For text of amendment referred to see the foregoing notice.)

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 16 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 19, 1940, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 18, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, our hearts go out to Thee in gratitude for all the strong, self-sacrificing men whom Thou hast raised up in every age to be the bearers of truth and justice. By the heavens above and the earth beneath, by the faith which has come down to us through the ages, by the eternal hope that shines brighter than the sun, by the love which neither time nor space can sever, by the still small voice, O bid us go forward to quit ourselves like men in the great battle of life. Let Thy kingdom come in all our hearts that we may mediate pure thoughts and speak words of wisdom. Charity thinketh no evil; a soft answer turneth away wrath; a good deed touches the hearts of men; behold how good and pleasant it is for brethren to dwell together in unity. O stars of God, shine over the earth, over the seas, and over our broad land for a million years and a day, and ever lead us to the coveted goal of peace and brotherhood. Continue to bless our most honorable Speaker with growing health and strength; direct the Congress in the paths of wisdom and discretion. So guide our President and his advisers that our Nation may continue to be an inspiration in this old world for righteousness and justice; in the name of our Saviour. Amen.

The Journal of the proceedings of Thursday, March 14, 1940, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8068) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes."

The message also announced that the Senate had passed without amendment a bill of the House of the following title: H. R. 4868. An act to amend the act authorizing the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1160) entitled "An act for the relief of Roland Hanson, a minor; and Dr. E. A. Julien," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. SCHWARTZ, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate insist upon its amendments to the bill (H. R. 5982) entitled "An act for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress and providing penalties for the violation thereof," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. VAN NUYS, and Mr. DANAHY to be the conferees on the part of the Senate.